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Industry Minister Discusses Economic, Trade Matters With Bangladesh Delegation

90SE0105B Rangoon THE WORKING PEOPLE'S DAILY in English 14 Jul 90 p 6

[Text] Yangon, 13 July—Minister for Planning & Finance and for Trade Brig-Gen Abel received a delegation headed by President of the Chittagong Chamber of Commerce and Industry of Bangladesh, Mr Amir Khosru Mahmud Chowdhury together with Ambassador of the People's Republic of Bangladesh to the Union of Myanmar [Burma] Mr Mostafa Faruque Mohammed at the Ministry of Trade at 9 am today.

Director-General of the Trade Department U Maung Maung Kyaw and officials were present on the occasion.

Representatives headed by U Maung Maung Kyaw and representatives of the Chittagong Chamber of Commerce and Industry discussed economic and trade matters of the two countries. MNA

Agriculture Minister Explains Resettlement Programs

90SE0094B Rangoon THE WORKING PEOPLE'S DAILY in English 27 Jun 90 p 1

[Text] Yangon, 16 June—Minister for Agriculture and Forests and for Livestock Breeding and Fisheries and Chairman of the Manpower Resettlement and Utilization Board Lt-Gen Chit Swe accompanied by Secretary of the Board Dr Myint Thein and members visited Hpa-an in Kayin State and Mawlamyine in Command Maj-Gen Nyan Lin, Commander of No 44 LID Col Saw Lwin, the Deputy Commanders of No 22 LID and No 44 LID, Chairman of Kayin State Law and Order Restoration Council Chairman of Kayin State Manpower Resettlement and Utilization Board Col Myo Myint and members of the Board.

The meeting in Mawlamyine was attended by Commander of South-East Command Chairman of Mon State Manpower Resettlement and Utilization Board Maj-Gen Nyan Lin, Commander of No 66 LID Brig-Gen Aye Kyaw, Commander of the Tanintharyi Naval Region Command Headquarters Commodore Tin Aye, Deputy Commander of South-East Command Col Tin Aye and members of Mon State Manpower Resettlement and Utilization Board.

Minister Lt-Gen Chit Swe in explaining the resettlement programs said that Kayin and Mon States are areas where there are possibilities to start the programs. Insurgents who have realized their misdeeds and returned to the legal fold and displaced persons in the face of dangers posed by insurgents would be resettled. Each family of such people, the Minister said, would be provided with K 3,000 worth of agricultural inputs free of charge, K 3,000 worth of animal feedstuff, medicine, and inputs for livestock breeding free of charge and K 2,000 worth of assistance. In enabling them to build villages, the

Minister continued, K 7,000 worth of material for building their homes would be provided free of charge.

The Minister went on to say that funds amounting to K 13.30 million were allocated in 1990-91 for the purpose. Those to be resettled should be free to choose either the highlands or the plains in conformity with their traditions and customs, he said. They would be resettled in areas where security is ensured, Lt-Gen Chit Swe said.—

Paper Reports on Hotel Construction Program

90SE0105C Rangoon THE WORKING PEOPLE'S DAILY in English 15 Jul 90 p 11

[Text] The State Law & Order Restoration Council entrusted the Myanmar Hotel & Tourist Enterprise with the task of expanding hotel services. Construction of new hotels and provision of convenient and high standard accommodation wherever tourists may go in the country is an important aspect in tourist promotion.

Construction of hotels is being implemented to two parts, namely:

- (1) hotels for foreign tourists, and
- (2) hotels for own nationals.

This plan was first mooted in 1985-86. The idea then was to build international standard hotels in Yangon, Mandalay and Bagan with the help of foreign aids and loans. But civil disturbances disrupted this plan together with all other development activities causing enormous loss to the people and the nation.

However, the State Law & Order Restoration Council, soon after taking over power, resumed those construction activities including construction of hotels.

The prime attraction for foreign tourists in Myanmar is her cultural heritage. Tourists visit Myanmar to study Myanmar cultural heritage that exists widespread in the whole country. The main attractions however are:

A. Yangon [Rangoon]. This is the port of entry into Myanmar.

It is also the capital city. It is one of the most interesting capital cities in South East Asia.

B. Mandalay. The old capital city well-known in South East Asia as a Myanmar cultural and religious centre. There are numerous historical sites, religious edifices and arts and crafts centres.

C. Bagan. The ancient city well-known for its ancient architecture in South East Asia. Its lacquer industry is one of the prominent tourist attractions.

D. Thandwai. Stretches of beaches and clear sea water: a lovely resort.

In addition to the above there remain numerous interesting sites waiting to be explored. The number of

tourists visiting Myanmar is likely to increase from year to year for the following reasons:

- A. Existence of several tourist attractions and potential tourist extractions.
- B. Foreign businessmen and entrepreneurs will soon be coming into Myanmar in great numbers as a result of the newly adopted open door economic policy.
- C. The increasing number of tourists visiting Thailand may opt for Myanmar as a second priority destination.

Tourist trade is meeting great success in Thailand as already mentioned. About five million world tourists had visited Thailand a year lately. [as published] Should Thailand be not able to cope with such a huge number of tourists, or should tourists visiting Thailand have time to prolong their tours in this part of the world, they might like to come to Myanmar.

The UN has also estimated that about 150,000 tourists are likely to visit Myanmar in 1991-92.

Increase of tourism is thus assured for Myanmar. Myanmar also believe like all other nations of the world, that tourism is a trade that must be promoted. Hotels to accommodate more tourists are in great need and will have to be constructed.

This need is being systematically fulfilled by the State Law & Order Restoration Council which has already decided to build one international class hotel each for Yangon, Mandalay and Bagan.

Army Forcibly Relocates Thousands From Pagan

90SE0094A Bangkok *THE NATION* in English 20 Jun 90 p 4

[Text] REUTERS—Burma's military authorities, who have evacuated hundreds of thousands of people from major cities, are forcing thousands more to leave Pagan, an ancient landmark and the country's most popular tourist attraction, visitors said yesterday.

No official reason was given for the latest expulsion, which precedes the opening of the ancient city to direct tourist flights from Thailand next month.

"The main strip of the town has just been emptied," one foreign businesswoman said.

The army government, which has ruled Burma under tough martial law since crushing street protests in 1988, has in the name of progress forced up to 500,000 people out of Rangoon and Mandalay into fields outside the city.

Others have been jailed for dissent or forced into portering arms for government forces fighting in remote insurgent areas.

Government officials have said the relocation, begun in 1985 but accelerated during army rule, would ease congestion in the cities and give good housing to slum-dwellers and vagrants.

The new towns, most of them located 20 to 30 km outside Rangoon and other cities, have basic facilities. But residents said they were forced to leave their homes at short notice and lost most of their wealth in moving.

They said they would return to the city if a new government relaxed restrictions.

During the monsoon rains the main streets are turned to mud and most houses are awash. The only concrete buildings are government offices and some schools. Other public buildings have not been finished.

The army, which held multi-party elections last month that were won overwhelmingly by the opposition, has said it would continue its public works program until a new government is formed. It has given no timetable for a transfer of power.

Visitors to Pagan, on a sprawling plain littered with hundreds of Buddhist pagodas 450 km north of Rangoon, said most of the 4,000 inhabitants had been forced to leave in recent months.

They said most of those expelled made their living from tourists visiting the ancient city.

Tour operators in Bangkok said they would begin direct flights from Thailand to Pagan and Mandalay next month.

Tourism in Burma, once a favorite stop for backpackers, has dwindled to a trickle since 1988 due to government restrictions on individual travelers.

Burma's government-controlled general election commission Tuesday suspended contacts with former Premier U Nu's opposition party, AFP quoted official Rangoon Radio as saying.

The radio, monitored in Bangkok, said the commission decided to halt contacts with the League for Democracy and Peace (LDP) party following complaints lodged by two former party members urging the commission contact them instead of the LDP party executive committee.

The commission said it would resume contacts only after it received a single address for LDP headquarters and a list of party leaders.

Investments From Hong Kong Increasing

90SE0091B Jakarta MERDEKA in Indonesian
11 Jul 90 p 5

[Text] The Indonesian consul general in Hong Kong says the rising volume of Hong Kong capital investment in Indonesia has very little connection with the future of Hong Kong after 1997.

In a special interview with three Indonesian reporters at his office in Hong Kong this week, Consul General Rustandi said the increase in Hong Kong capital investments in Indonesia over the last several years is a result of better conditions in Indonesia.

"The growth of Hong Kong investment in Indonesia is more a result of better conditions in Indonesia than of concern over the territory's return to PRC control in 1997."

Based on his observations, he said, Hong Kong investors like Indonesia because of cheap labor, protection of assets, the land situation, and other facilities.

The consul general said that during the last several years Hong Kong has been second only to Japan in capital investment in Indonesia.

Hong Kong investment in Indonesia totaled \$230 million in 1988 and rose to \$370 million in 1989. In 1990, the total is expected to rise sharply to \$1 billion.

"That's understandable, because investments have reached \$629 million during the last five months," Consul General Rustandi said.

This figure, he said, shows the great interest Hong Kong investors have in Indonesia.

Last week, 200 Hong Kong industrialists attended an Indonesian investment seminar sponsored jointly by the Indonesian Consulate General and the Capital Investment Coordination Board (BKPM). The seminar was opened by BKPM Chairman Sanyoto Sastro Wardoyo.

When other countries hold such a seminar, it is attended by 30 people at most," the consul general said.

According to Rustandi, sectors most often chosen by Hong Kong investors are the electronics, garment, hotel, and furniture industries.

Asked about the influence of probable direct Indonesia-PRC trade on Hong Kong's role, Consul General Rustandi said trade with the PRC will have very little effect.

He said Indonesia's trade ties with Hong Kong will remain good despite direct trade between the PRC and Indonesia.

The consul general said that, traditionally, Hong Kong has been one of the largest exporting ports in the world and has complete support facilities.

President Comments on Stock Transfers, Farming

90SE0093A Jakarta KOMPAS in Indonesian 13 Jul 90
p 1

[Text] The transfer of shares to villages unit cooperatives (KUDs) and primary cooperatives that are located near business enterprises will promote good labor relations and social harmony. Also, giving primary cooperatives that have business connections with companies the opportunity to own company stock will strengthen the broad framework of commercial enterprise.

President Suharto made these statements on Thursday in Tasikmalaya, West Java at ceremonies marking Pertasi Kencana (Golden Treasures) Day. The ceremonies combined recognition of the 43d Cooperatives Day, 18th Agricultural Activities Day and 20th National Family Planning Movement Day. The ceremonies were held in Dadaha stadium, where the president was accompanied by the minister of cooperatives, minister of agriculture and the head of the National Family Planning Coordination Board (BKKBN). Also present were Minister of Information Harmoko, Minister for Population and Environment Emil Salim, Minister of Health Adhyatma and a number of high government officials.

The president said that we are beginning to lay strong foundations for the development of cooperatives by providing for the ownership of company stock by company cooperatives in a joint effort we have been pioneering recently. He said that the opportunity to own company stock should not be limited to the employee cooperatives of these companies but should be extended to KUDs and other primary cooperatives in nearby locations and to cooperatives that have business connections with the companies.

54.4 Billion Rupiah

Haryono Suyono, the head of the BKKBN, speaking in the name of the three groups represented in the Pertasi Kencana Day ceremonies, reported that a number of big businessmen have expressed their willingness to transfer shares to cooperatives. First, on 24 March 1990 PT Teh Nusamba Indah announced that it would transfer stock valued at 1.5 billion rupiah to cooperatives. Second, 69 businessmen represented in the Indonesian Logging Association (Masyarakat Perkayuan Indonesia), including seven foreign investors, told President Suharto on 30 June last that they would transfer shares with a nominal value of more than 23.6 billion rupiah.

And third, on 4 July last, in a letter to the coordinating minister for economics, finance and industry, 27 businessmen of the Prasetya Mulya group stated that they were prepared to transfer stock with a nominal value of more than 29.3 billion rupiah. Total value of all these shares is more than 54.4 billion rupiah.

Sri Edi Swasono, general chairman of the Indonesian Cooperatives Council (Dewan Koperasi Indonesia), stated that under economic democracy certain rights are held by company employees, by farmers that supply the

company, by distributors of company products and by consumers of company goods. They join in promoting the company and are joined together in cooperatives. Thus, he said, the chief of state was truly correct in saying that the ownership of stock by company employees does not result from an act of sympathy but is a right under economic democracy.

They are participants in the development of the company and loyal business colleagues, so it is only proper that they should receive stock in the company and benefit from its dividends and capital gains. Thus, when a program to go public is established, and if the program is to serve as a means of promoting equitability, then employee cooperatives and other cooperatives that are involved in company operations must be given first consideration in setting the price of preferred stock.

Farming

Touching on the success achieved in the agricultural sector, including the achievement of self-sufficiency in rice production and the progress made in increasing estate, livestock and fishery production, the chief of state said that we have been able to make these advances in part because we have succeeded in applying the appropriate technology. We must maintain and improve these advances so that our development can really enter the take-off phase of the second 25 years of long-term development. "This is why I ask farmers to continue to improve their farming operations," the president said.

The experience we have gained and success we have achieved in the agricultural sector will be shared with the farmers of other countries within a framework of international cooperation with developing nations. This is a clear manifestation of our determination to build a more secure and prosperous world, and in order to do this our farmers must thoroughly prepare themselves to share their experience with the farmers and agricultural experts of other countries who will come here. All of this is represented in our determination to implement one of the results achieved in Kuala Lumpur last month at the Group of 15 summit conference, the president said.

More Enormous

The Pertasi Kencana ceremonies in Tasikmalaya also were aimed at encouraging the development of independent family planning movements throughout Indonesia. The occasion was marked by the dedication of these independent movements in all cities in Indonesia and in qualified villages. The chief of state took this opportunity to transfer blue-circle contraceptives to cooperatives and to sign a family planning banner stretching 5,000 meters, the longest such banner in the world.

Haryono Suyono said that efforts to improve the family planning movement will have to be continued for some time. The number of fertile couples is increasing more rapidly because children born during the baby boom of the 1960s and 1970s are now entering adulthood. Consequently at least 3.5 to 4 million new acceptors are

needed in the family planning program each year just to hold our present position. "A new and more enormous population explosion threatens all of us if we are indifferent to this matter," he said.

He noted that there are about 350,000 to 400,000 groups of family planning acceptors, farmers and fishermen that are making an integrated effort to develop themselves as productive economic groups, that is, as Acceptor Family Income Enhancement (UPPKA) groups. These groups are expected to become independent business units in the KUDs or to provide facilities for the distribution of contraceptives by the KUDs. There are about 22,000 UPPKA groups at the present time. They have a membership of 1.5 million couples and 6.3 billion rupiah in capital.

Tasikmalaya was intentionally chosen as the site for the Pertasi Kencana ceremonies because the area is one of the centers of small industry in West Java. It also was chosen to commemorate an important event that occurred on 12 July 1947. The First Cooperatives Congress was held there on that date and is a significant event in the history of the cooperatives movement in Indonesia.

The president bestowed development commendation awards in the fields of family planning and cooperatives on 10 governors, 1 deputy governor and 17 district heads and mayors during the ceremonies.

Soybean Imports

In a meeting with farmers and members of cooperatives and family planning groups, the president noted that we still have to import 600,000 tons of soybeans this year to meet domestic needs. This means that there is a market for soybeans. Demand actually could be met from our own production and then there would be no need to import soybeans. At a price of 400 rupiah/kg, 600,000 tons of soybeans would be worth 240 billion rupiah. This money could go to the farmers because land is available to grow soybeans. The president recognized that farmers are still faced with some handicaps, including seed shortages.

The chief of state said that joint efforts must be increased within the framework of the cooperatives in order to overcome this problem. The cooperatives will have to work with private businessmen in order to seize and benefit from this 240 billion rupiah market. The farmers would not have to spend their money, and the private businessmen would not suffer losses because they would recover their capital. There are other benefits too, since the government's purchase price is 425 rupiah/kg and the market price for tempe and tahu soybean cake is 750 to 800 rupiah/kg. The extra 300 rupiah goes to the businessman as profit. "Therefore, both of them will profit," the president said.

In addition, it has been decided that in order to improve the lot of the farmers we must import some 400,000 tons

of sugar. At a price of \$360 to \$400 a ton the total cost would be \$160 million. This amount could be used to build a factory of our own.

The need for sugar actually could be satisfied by increasing the production of sugar from coconut, aren and nipa palms. These palms are grown over a vast area that covers millions of hectares. Five tons of nipa palm sugar can be produced from one acre of cropland and brings a price of 1,000 rupiah/kg, or 2,000 rupiah/kg if exported.

In response to a farmer's question, the president said that the government has long established the base prices for various commodities. The base price for cloves was set at 6,500 rupiah/kg for the purpose of protecting the farmer. Recently, however, the price has dropped to 3,000 rupiah/kg, which has been very damaging to farmers. Cigarette factories put the price of cloves at 10,000 to 12,500 rupiah/kg in calculating production costs.

Sutrisno Says Aceh Disturbance Strictly Criminal Act

90SE0091A Jakarta KOMPAS in Indonesian 10 Jul 90 p 1

[Text] Jakarta, KOMPAS—The disturbance of security in Aceh had no connection with politics but was strictly a criminal action. ABRI [Indonesia Armed Forces] conducted security restoration operations, and the situation has returned to normal. Follow-up steps to resolve the problem are being taken.

PANGAB [Armed Forces Commander] General Try Sutrisno reported this on Monday [9 July] at a minister-level coordination meeting on the political and security sector. Minister of Defense and Security L.B. Murdani made a similar statement in reply to a reporter's question after a working meeting with DPR [Parliament] Commission I.

Commenting to reporters on the PANGAB's statement, Coordinating Minister for Politics and Security Sudomo emphasized that the security disturbance in Aceh had no connection with the DI/TII [Darul Islam/Islamic Army of Indonesia] issue or so-called Independent Aceh. The disturbance was not organized and was merely an act of "revenge" for, among other things, the destruction of marijuana fields. He pictured the terrorists' intimidation of some transmigrants in Aceh simply as an attempt to frighten them. "The community does not need to be afraid, particularly since the person reputed to be one of the main terrorist leaders was shot to death on 1 July. You can be sure that ABRI will not sit still," Sudomo said.

To emphasize his statement, the coordinating minister for politics and security referred to the fact that PANGAB Try Sutrisno had performed Idul Adha [an Islamic feast] prayers at Lhokseumawe on 3 July.

Elections and Other Issues

Minister of Home Affairs Rudini reported in the meeting that 1992 election preparations are in the final stage. All regulations that are to be followed will be submitted to the State Secretariat for necessary processing. Among these is the government decision that "H" day will not be on a holiday, that the "quiet" period will last only five days, that for security reasons there will be no campaign activities at night, and that the polling system will remain as before (i.e., not a district system).

Other issues specifically discussed in the meeting included a report on concern over unauthorized church buildings, particularly the case of a residence at Teluk Pucung (Bekasi, West Java) that is used as a Christian church. This is related to the whole matter of homes' being used as places of worship, such as churches. "That is prohibited. Homes may be used only for thanksgiving services," Sudomo said.

In connection with matters that can cause SARA (ethnic, religious, racial, and communal) problems, the ministers of home affairs and religion are to restructure procedures for the issuance of permits for houses of worship. The existing requirement that the surrounding community must give its approval before a house of worship is built is not a good provision. It must now be made even stricter by requiring the regent or mayor to use city planning in the selection of locations for houses of worship.

In deciding on such locations, the coordinating minister for politics and security said, city planning agencies will take various aspects into consideration and will base calculation of the necessary number of houses of worship on the number of adherents to each religion. These conditions apply to all religions.

The coordination meeting was attended by Minister of Home Affairs Rudini, Minister of Information Harmoko, PANGAB General Try Sutrisno, Minister of Justice Ismail Saleh, KABAKIN [Chief of State Intelligence Coordinating Agency] Sudibyo, KEJAKGUNG [Attorney General's Office] Executive Manager Singgih, and, representing Foreign Minister Ali Alatas, director general for Political Affairs Wiryono. Minister of Defense and Security Murdani did not attend because his working meeting with DPR Commission I took place at the same time.

Even Distribution

Besides talking about the Aceh incident, Minister Murdani also touched on the issue of even distribution, particularly in the economic sector, saying that, although a lengthy process is needed, we are at least moving in that direction.

The president's initiative in gathering 31 top private businessmen at Tapos last March, where he called on them to sell 25 percent of their stock to cooperatives, was only one of the steps the government is taking for the

sake of even distribution of prosperity. We must not expect, however, that this can be achieved quickly. A lengthy process is needed. "We must not be like children by thinking that through this step alone we will immediately create even distribution," he declared.

He noted that the deregulation of cooperatives is no less important than economic deregulation and transfer of stock to cooperatives.

In reply to a question, Murdani said he would not dare to say whether the even distribution process will be slow or fast. It is a fact, however, that there are fewer and fewer poor Indonesians.

Support Needed

Murdani also said in the meeting with DPR Commission I that the reopening of Indonesia-PRC relations scheduled for 8 August is a government decision that needs the support of everyone. Because the government has adequately studied normalization, there is no need to bring up old issues.

He added that the government's decision to reopen diplomatic ties with the PRC, which were frozen in 1967, is a step toward the creation of world peace. "A younger generation is entrusted with exercising caution on any future matter related to normalization," Murdani asserted.

When asked by DPR members about the impact of changes in some European countries on our internal security, L.B. Murdani said that Eastern Europe does not have a direct influence on Indonesia. Because incidents cannot be divorced from their own surroundings, what has happened in Eastern Europe cannot be instantaneously and successfully imitated in other places.

For that reason, he added, changes and developments in Eastern Europe need not spur us to excessive caution. To keep them under observation is enough.

The minister of defense and security said the world will undergo many very fundamental changes in the 1990's. These changes will not occur suddenly but will come about through the struggles of a humanity that will not surrender despite many sacrifices.

Two of the fundamental changes are the collapse of the systems of communism and apartheid. Thus, human dignity will be restored to the status for which people have longed. A new hope for a life of peace, justice, and prosperity will be realized if all nations are willing to maintain this good momentum for the sake of all men.

A matter to which we must be alert is the tendency to depart from idealism. Because all national and international issues are ultimately economic, this tendency can erode the basic values that spring from a nation's view of life.

Therefore, we must be careful not to be carried away with viewpoints that will dilute our knowledge and

practice of Pancasila. Pancasila ideology, as guide for the nation's life, remains relevant and will become increasingly so in the future.

NU Offers Help With National Defense, Security 90SE0092A Jakarta KOMPAS in Indonesian 13 Jul 90 p 1

[Text] Palembang (KOMPAS)—The Nahdatul Ulama (NU) is prepared to cooperate with the government in defense and security matters, particularly through the participation of NU members in safeguarding security in isolated areas.

NU Executive Council Chairman Abdurrahman Wahid stated this to KOMPAS in Palembang on Thursday afternoon [12 July] after a meeting with directors and members of the NU's South Sumatra Branch. Clarification by the leader of the foremost mass organization in Indonesia was sought in connection with his brief statement on the matter during the opening ceremony of the South Sumatra NU Regional Conference on Thursday morning.

According to the Muslim intellectual, other forms of security disturbances, like the recent one in Aceh, may flare up. "When necessary, we NU members must try to prevent such incidents. Our participation may be in the form of promoting community awareness, but it could also be by NU members' taking direct part in activities for safeguarding security," the Muslim scholar said.

He said the participation of NU members in the defense and security sector could take various forms. These could include provision of security personnel for installations in isolated regions. Gus Dur [Abdurrahman Wahid] said the number of members widely dispersed in rural villages enables the NU to cooperate in safeguarding security in various aspects of national and state life.

"Policy must come from the Department of Defense and Security, however. We are always ready to help whenever circumstances require," Abdurrahman Wahid declared.

In earlier remarks during the opening of the regional conference, Gus Dur reiterated the priority given to the organization's economic programs for uplifting the Muslim community. He said the current social disparity among the people is one of the things that has triggered NU involvement in economic improvement among the lower levels of the community.

"The NU is not anticonglomerate, but the NU does not want the country's economy to be controlled by merely a few people. Consequently, through establishment of the BPR [People's Credit Bank] we will use funds provided by the government under the recent measures it has taken in the banking sector," he asserted.

He said the NU's interest in helping the Muslim community in the economic sector is actually not a new idea.

The idea arose prior to the Japanese occupation of Indonesia, but, because the situation during World War II compelled the NU to plunge into the political world, the concept was put on the shelf. "Since then, NU activities in the economic sector have been neglected. In fact, one could say there have been none at all," Gus Dur declared.

In reply to a question about the debate over usury and the new banks, he declared that the planned establishment of the BPR in a number of regions will go forward. He rejected the view that setting up the BPR was not based on careful study.

Thorough studies were conducted, Gus Dur said, and even prayers for Divine guidance were offered. Moreover, the economic betterment of the Muslim community cannot be postponed. "If the NU did not establish the BPR, the conglomerates would come in; and that would be the end of the Muslim community," he declared. "If the 1992 congress rules that the BPR is contrary to Muslim law, the BPR will be dissolved," said the chairman of the NU Executive Council.

Tin Industry To Be Restructured

90SE0091C Jakarta KOMPAS in Indonesian 16 Jul 90
p 9

[Text] Jakarta, 15 Jul (MERDEKA)—President Suharto has agreed to the reorganization and streamlining of PT Timah [Tin, Inc.]. He cautioned, however, that attention must be given to the future of the company's employees.

"Early thought must be given to placement of the workers and to diversifying the business," the head of state said, as quoted by Minister of Mining and Energy Ginanjar Kartasasmita after he and PT Timah Principal Director Kuntoro were received by the president at the Bina Graha on Saturday [14 July].

According to Ginanjar, basic changes are needed in PT Timah in order to save the company from losses stemming from the recent drop in world tin prices.

He said the current price of tin is only about \$6,000 per ton, and the price is not expected to exceed \$12,000, as it did during tin's "golden age" around 1985.

"We calculate that a price revolving around \$6,000-\$7,000 per ton is a losing price, and tin is an irreplaceable natural resource," Ginanjar said. "We must count on a price of no more than \$6,000-\$7,000 over the long term, although in several of our production areas it costs more than that to produce the tin."

Therefore, the minister said, basic steps need to be taken to save PT Timah and to assure that its operations can contribute to the welfare of the people and the state.

"There is no benefit in using such a natural resource without deriving any income from it. Because tin is irreplaceable, losses from current sales will not be compensated for later," he declared.

No Layoffs

In reply to a question, PT Timah Principal Director Kuntoro denied that the company will conduct layoffs.

Quoting the president's instructions, Kuntoro said PT Timah must make early efforts to place its skilled workers in other jobs that suit their expertise.

Kuntoro said this is in concert with the company's policy of providing pensions to employees over age 50 who have worked for 20 years.

"Hence, there will be no layoffs at all, and we have planned a way out by releasing assets such as hospitals, hostels, and workshops and by transferring a number of mining operations in land areas to cooperatives. Therefore, employees thus released from the company will receive business capital," Kuntoro said.

Minister Ginanjar said the release of assets will be discussed further, but, in principle, activities not directly related to the company will be released. Cross-sectoral coordination on this is to be conducted. For example, hospitals released by PT Timah will be managed by the Department of Health. Cases like this require coordination, since they involve other departments.

Kuntoro said the plan for moving PT Timah's main office from Jakarta to Bangka Island is an effort to improve efficiency. The main office now has 1,000 employees, whereas PT Timah's total work force is 24,032.

Asked about PT Timah's income in light of current tin prices, Kuntoro said the company is at the break-even point and is operating at optimal efficiency.

Oil

Minister Ginanjar also reported to the head of state that the July oil price is under \$15; \$14.81 per barrel, to be precise.

"This is the lowest price of the year, and brings the average price for the fiscal year below \$16.50, to a realized price of \$16.34 per barrel," he said.

Thus, as a result of this month's poor price, the average crude oil price for fiscal 1990-91 is \$16.34. "We hope the situation can be resolved quickly through intensive activity by oil ministers at highest diplomatic levels, so that OPEC will be able to consolidate itself by the time of the conference on 25 July," he said.

Ginanjar hopes the price of crude oil will be better as we go into the 3d and 4th quarters. Efforts toward improvement began with the visit of the Algerian minister, who is president of OPEC, to several Gulf states and was followed by a meeting of three ministers in Algiers and a meeting of five Gulf-state ministers at Jiddah.

Ginanjar said the most important thing now is to restore the price. We will not be satisfied with a return to \$16 or \$17. The price has to return to \$18. In the last OPEC

conference, we agreed that \$18 is the minimum and that the price should be more than \$18," he said.

Until the price reaches \$18, Ginanjar said, it is hard to think of efforts that will resolve medium- and long-term OPEC problems. All the countries apparently agreed.

Military To Put More Forces in Aceh

90SE0092B Jakarta KOMPAS in Indonesian 12 Jul 90
p 1

[Text] Jakarta (KOMPAS)—Aceh Governor Prof. Ibrahim Hasan quoted President Suharto as saying that more members of ABRI [Indonesian Armed Forces] will be assigned to Aceh to strengthen the resistance of the community against criminal disturbances like those recently provoked by terrorist groups. The governor spoke after reporting to the president at the Bina Graha on Wednesday [11 July].

The governor denied, however, that there is now unrest in Aceh because of recent security disturbances. "There are eight regencies and two municipalities in Aceh. North Aceh and East Aceh are the only places where some crime of this type has occurred. That means the six other regencies and the two municipalities are secure and peaceful," he declared after reporting to the president.

He said President Suharto instructed him to bring a complete end to the criminality in Aceh immediately. Courage must therefore be instilled in the community so that the people will have a high level of awareness and resistance toward unexpected disturbances and challenges.

More members of ABRI will therefore be assigned to Aceh to mix with the community so that the people will have more courage.

Besides instructions on the crime issue, the governor said, the president also directed that the root of the problem also be dealt with. The head of state instructed that use of the "foster father" development model be expanded in Aceh and that unsuccessful measures be dropped.

Young people and other members of the community are to be trained so that they can work in the big companies in Aceh, such as PT Arun. In this way, social jealousy can be reduced.

Rejected by Community

Besides not representing all of Aceh, the security disturbances in North Aceh and East Aceh did not occur in all the subdistricts, either. In North Aceh, for example, only four subdistricts had security problems; and in East Aceh there were only two or three. "Thus, it is not true that there is unrest in all of Aceh," he declared.

The North Aceh subdistricts with security problems included Dewantara, Kotamakmur, and Bayu. The East Aceh subdistricts included Langsa. There are industrial

centers in these subdistricts, and, according to Ibrahim Hasan, the flare-ups were a consequence of successful development in those places. The terrorist groups have a certain motive for living in the industrial centers, he continued.

"They do not have a political motive, however. The people of Aceh are accustomed to such issues, and they know what is political and what is not. In this case, the terrorist groups conducted economic or criminal activities," he stated.

This is understandable, according to the governor, because North Aceh is developing rapidly, whereas the other areas are not. There is more national and regional development in North Aceh. Its regional budget is also greater, reaching 32 billion rupiah. This does not include giant projects like PERTAMINA [National Oil and Natural Gas Company], LNG [liquefied natural gas], Mobil Oil, Iskandar Muda Fertilizer, and a number of other industries with large investments.

"Because big-city living apparently has arrived in Aceh, big-city crime occurs, too. Not being accustomed to such a situation, people in Aceh have become conceited," he said. To support his position that the flare-ups were criminal and not political, the governor noted that their actions were inhumane, in violation of Pancasila, and contrary to religious teachings.

"The people—including Muslim scholars, intellectuals, and community leaders—reject all of this. They do not support or tolerate such actions," he emphasized.

Jealousy

According to Prof. Ibrahim Hasan, the reason for such flare-ups is jealousy. "Young people are very jealous. Because of their ignorance and backwardness, they are easily incited to jealousy." The jealousy of the Acehnese is different from that of other people. "They tend to riot." There are also disparities between them and the people around them, and they are held in the grip of terrorist groups by force or intimidation.

The governor said the head of state also instructed that the community be invited to participate in ABRI-led efforts to eliminate terrorist crime in Aceh. "The Muslim scholars must stand in the front line as guides to the community so that people will return to the straight and true path," Ibrahim Hasan said.

Prof. Ibrahim Hasan reported to the president on the various development efforts that were successful in Aceh during PELITA IV [Fourth 5-Year Development Plan] and the second year of PELITA V [Fifth 5-Year Development Plan].

Interest Rates Increased To Avoid Inflation

90SE0093B Jakarta KOMPAS in Indonesian
5 Jul 90 p 3

[Text] The adoption of an increase in interest rates by government banks is expected to overcome difficulties encountered in the accumulation of private sector funds and to act as an obstacle to inflation. This policy also was adopted in anticipation of a decision by Bank Indonesia to terminate liquidity credit [kredit likuiditas, loan-financing credit], which heretofore has provided a source of inexpensive funds.

These comments were made by A. Kukuh Basuki, executive director of Bank Negara Indonesia (BNI), at a press conference attended by all of the bank's key staff personnel. The press conference was held in Jakarta on Wednesday, 7 May, the 44th anniversary of the bank's founding.

There has been a rapid increase in the use of funds from the banking sector during the past two years. This is in keeping with the pace of national economic growth, which has reached a figure of 7.4 percent according to a World Bank survey for 1989. But there has also been a rapid increase in the accumulation of private sector funds by the banking industry, concurrent with the rapid growth in Indonesian capital markets.

Private banks have a relatively greater opportunity to accumulate private sector funds through the capital markets, "but, as a government bank it is not yet time for the BNI to avail itself of the opportunity to go public, and therefore various other methods are needed to accumulate private sector funds," Kukuh Basuki said.

Consequently, new programs, such as the Savings Plus (Tabungan Plus) program, are being adopted. He said that although the Savings Plus program has been in place for only six months it already has succeeded in taking in approximately 550 billion rupiah, but he also acknowledged that it is not enough simply to establish new programs, such as the Savings Plus program, in anticipating the termination of liquidity credit by Bank Indonesia.

He said that the liquidity credit provided for various economic sectors and activities by Bank Indonesia through the banking industry is subsidized and carries a low interest rate, which is why demand for the credit has averaged out at more than 2.5 trillion rupiah a year during the past two years.

Not A Savings Program

In responding to the decision to terminate liquidity credit, the BNI and other government banks are raising interest rates so as to encourage the public to deposit money in banks.

Is the increase in interest rates not intended as a means of competing with private banks which are relatively more flexible in their operations? "This formula is not

being used with the intention of competing with private banks," Kukuh replied. "The formula, in addition to being intended to attract the public, reflects the attitude of government banks in their implicit recognition of the possibility of inflation," he said.

Although he did not specify how much money is in general circulation, he did say that the amount in circulation is one of the factors contributing to the chance that inflation will occur and that measures must be taken quickly to avoid this possibility.

Widigdo Sukarman, a BNI director, added, "This is the duty of every government bank, for they must be able to act as middlemen in facing every problem. But do not wrongly assume that this increase in interest rates constitutes a government savings program. Actually it is a strategy of the banking sector."

Always the Leader

Willy H. Sambalao, head of the BNI Funds Division, said that his group had never worried about competition with private banks because one of the present strengths of government banks is a banking network so widespread it reaches even the most remote areas, albeit the network constitutes a weighty burden for government banks.

"You can see that private banks certainly would choose to open a bank in Surabaya rather than in Sangihe Talaud because the market forces in Surabaya are decidedly greater than in that remote island area," he said.

Because the network of government banks is so extensive, then automatically the reach of their operations also is extensive and widespread. This is very important to customers, for they also require this kind of a banking network. Consequently, although private banks appear to be relatively more aggressive, it is the government banks that are always the leader. And if the matter is viewed in terms of the level of customer confidence, then it is certain that government banks will remain the leader as they provide more security.

This is obvious from the impact of several of the new formulas being used by the BNI, for they have led to the accumulation of some 300 billion rupiah from small investors in the private sector. Globally, the position of responsibility held by government banks can be considered in terms of all investment credit issued in Indonesia. "It is clear that government banks are as flexible as any because 95 percent of all investment credit issued nationally is being issued by government banks. The remainder comes from private banks," A. Kukuh Basuki said.

Improved Labor Policy Seen As Response to Outside Pressure

90SE0106A Jakarta TEMPO in Indonesian
28 Jul 90 p 23

[Text] On Wednesday of last week [18 July], the government rescinded a 27-year-old presidential decision

(KEPPRES). KEPPRES 123, issued by President Sukarno on 25 June 1963, prohibited strikes and lockouts in 27 government enterprises, 14 vital agencies and businesses, and 16 development projects of that period.

The government enterprises thus protected from strikes included the State Electricity Enterprise, the State Railway Enterprise, Post and Telegraph, PT [Limited Company] Shell Indonesia, and the Good Year tire plant. Bank Indonesia and the "Kebayoran" and "Arta Yasa" currency printing plants, which were then considered vital, were also included. The development projects covered by the KEPPRES were, for example, MONAS [National Monument], the Istiqlal Mosque, the Ancol Project, the "Trihora" Iron and Steel Plant (now Krakatau Steel), and the Sarinah Shopping Center.

"Seeing that the projects mentioned in the KEPPRES have been completed, the KEPPRES is useless," Minister of State and State Secretary Mardiono said when questioned by TEMPO's Linda Djalil about the background of the cancellation. In its place, KEPPRES 26/1990 has been issued to ratify International Labor Organization (ILO) Convention 144 regarding tripartite consultations. The purpose of the convention is to improve the contribution of international labor standards.

In other words, Indonesia accepts the call of the ILO to form a tripartite organization or body where labor, business, and government can sit together to resolve problems. Actually, such a body already exists here in the form of the Committee for Resolution of Labor Disputes (P4).

It is hoped that all labor-management conflicts can be resolved by the P4. Indonesia possesses Pancasila industrial relations, under which labor is treated as a business partner and consultation and consensus are viewed as the best ways to solve problems. If, however, a conflict is not resolved through this method, strikes are permitted as a last resort. A report must first be made to the local P4 and permission obtained from the local All-Indonesia Labor Federation (SPSI) office.

Thus, according to H.P. Radjagukguk, lecturer on labor law at the University of Indonesia's Law Faculty, strikes based on minor problems or personal sentiments will not be permitted. This is consistent with Law 22/1957 on resolution of labor disputes.

Strikes in Indonesia are actually not taboo, at least since the issuance of Law 14. Article 13 of that law says, "The exercise of rights to strike, demonstrate, and conduct lockouts are covered by regulations." In practice, however, the government has not been very amenable to exercise of the right to strike, for the government feels that strikes can interfere with national development and discourage foreign investors. When Sudomo was minister of manpower, for example, he said emphatically that strikes are "not compatible with the principles of Pancasila labor relations."

Why, then, does the government deem it necessary to rescind KEPPRES 123/1963, which in reality is obsolete and useless? Perhaps Indonesia is uncomfortable with outside criticism of its labor problems. The group most persistent in spotlighting Indonesia has been the American Federation of Labor and Congress of Industrial Organizations (AFL-CIO), a strong American labor organization.

In 1987, the AFL-CIO sent a petition to the United States Trade Representative (USTR), urging the USTR to withdraw GSP (Generalized System of Preferences) facilities enjoyed by Indonesian exports to the United States. The problem, according to the AFL-CIO, was that Indonesia restricted exercise of basic labor rights. The USTR took no action, however, because the trade representative saw that Indonesia had made some improvements, such as setting a minimum wage.

The AFL-CIO persisted, however. A year later, it sent its second petition to the USTR. Its contents were the same as the first's. This time, the USTR responded by sending a letter to Minister of Manpower Cosmas Batubara. Clayton Yeutter, head of the USTR at that time, not only forwarded the AFL-CIO protest, but also called on the Indonesian Government to continue with efforts to improve the welfare of workers.

After the USTR sent its letter to Jakarta, the AFL-CIO felt that Indonesia did not make so much as one improvement. The AFL-CIO belittled the creation of the SPSI [All-Indonesia Labor Federation] in 1985, claiming, among other things, that SPSI Chairman Imam Soedarwo was not a member of labor. At the time of his appointment to the SPSI, Imam was director of a garment manufacturing firm. He is also a former chairman of the Indonesian Textiles Association (API).

Criticism of Indonesian labor conditions also came from the ILO, because, until KEPPRES 26/1990 ratified Convention 144, Indonesia had ratified only eight of the existing 169 conventions. It should be noted, however, that the United States, which has so criticized Indonesia, has ratified only nine of the conventions.

Manpower Minister Cosmas Batubara emphatically denied that Indonesia was "pressured" by outside parties to rescind the old KEPPRES and replace it with the new one. "No, that's not the reason. We saw that the things regulated by the old KEPPRES no longer exist, making it irrelevant," Cosmas told TEMPO's Andy Reza.

The reason for Indonesia's ratification of the ILO convention is our participation in international trade. "We must have a part in applying international labor standards, so that the products we sell will be acceptable to countries that abide by the standards," Cosmas added.

In its efforts to expand exports and support the growth of an international system of free trade, Indonesia cannot disparage international pressures. For example, a number of countries and organizations have been linking

human rights issues to prerequisites for conducting trade. Therefore, the "threats" of a very influential organization like the AFL-CIO cannot simply be ignored.

New Investigations Set for Determining Communist 'Influence'

90SE0106B Jakarta TEMPO in Indonesian
28 Jul 90 p 22

[Text] ABRI [Indonesian Armed Forces] Headquarters at Cilangkap, East Jakarta, last week launched a new term: "influenced."

From the aspect of linguistic esthetics, this word may not be the most desirable, but it is certain to be used often in the days to come.

The use of "influenced" was introduced to eliminate use of the terms "personally clean" and "clean environment," which have long been popular. These terms, according to PANGAB [Armed Forces Commander] General Try Sutrisno, are "confusing and have never been officially standardized." Therefore, General Try used "influenced" repeatedly when he opened the BAKORSTANAS [Agency for Coordination of Support for National Stability] Coordination Meeting at ABRI Headquarters at Cilangkap.

In his message, General Try explained operational instructions on how government departments/agencies and BAKORSTANASDA [Regional Agencies for Coordination of Support for National Stability] are to handle special investigations, or screenings, of government employees.

Operational Instructions 01/STANAS/VII/1990, dated 9 July 1990, constitutes supplementary regulations to KEPPRES 16/1990, issued on 17 April.

The KEPPRES includes a requirement that government employees undergo special investigations on their involvement in the G-30-S/PKI [30 September Movement/Indonesian Communist Party] or related prohibited organizations. Such special investigations are to be conducted by the departments and agencies rather than by the LAKSUS KOPKAMTIB [Special Executive of the Command for the Restoration of Security and Order], which, in fact, no longer exists.

Although it will not plunge in directly, BAKORSTANAS, which replaced KOPKAMTIB, will still be involved in guiding special investigations in each department, agency, BUMN [state-owned business enterprise], and state body.

It is not surprising that the explanation of the operational instructions for special investigations should accompany the opening of the BAKORSTANAS Coordination Meeting, which was attended by leaders of the special investigation organs of government departments and agencies. General Try reminded them that special

investigations are needed prevent the emergence of now-latent threats, infiltration by G-30-S/PKI remnants, or the penetration of government ranks and other important positions by adherents of Marxism, Leninism, and communism.

The issue now is how to find criteria for "convicting" a person of being a PKI lackey. In a press release, the ABRI Information Center specified three criteria. First: lack of loyalty to Pancasila, the 1945 Constitution, the state, or the government. Second: involvement in the actions of the G-30-S/PKI. Third: evidence of influence by the G-30-S/PKI.

In this connection, Try Sutrisno said, "Whoever demonstrates approval of the PKI's strategy, or speaks or writes or does similar things, can be declared to be involved in the G-30-S/PKI or influenced by it." In this way, alertness to the influence of PKI ideology can be maintained. "Each social interaction has influence, and no human being is totally resistant to the influence of society around him," Try added.

Thus, a young person born since 1965 can also be declared involved in the PKI if "his thinking and conduct are the same as communism," according to Brigadier General Todo Sihombing, BAKORSTANAS deputy secretary for Sector VI. "It used to be that family ties were looked at first; now it is influence," Todo Sihombing added.

Efforts were made in the past to prevent PKI ideological influence through various types of screening, such as the kinds used before KEPPRES 16/1990 was handed down. From that screening there emerged the terms "personally clean" (meaning no direct involvement with the PKI), "clean environment" (no family members in the PKI), and "file D" (which refers to examination of one's curriculum vitae).

These unofficial terms are thus made obsolete by the birth of "influenced." The criteria for "influenced" include statements, writings, and actions. Are the criteria clear? As far as Marzuki Darusman, deputy secretary for the political and security sector in the FKP [GOLKAR—Functional Group—Faction] of the DPR [Parliament], is concerned, the criteria for "influenced" still need to be detailed more specifically.

Vague wording will actually create a new trap that can cause people to connect new political thinking with non-Pancasila ideologies. "This will obstruct realization of the people's aspirations," Marzuki asserted. President Suharto himself, however, has called Pancasila an open ideology, said the FKP leader.

Marzuki's concern does indeed have a basis, for special investigations and the term "influenced" can have a broad impact if they are not handled carefully and within clear limits.

Moreover, special investigations are recommended for personnel involved in policy, technical management,

and in working relations with certain departments. Thus, the Department of Information can conduct special investigations of reporters; the Department of Justice can investigate attorneys; and the Department of Health can investigate doctors. This is despite the fact that reporters, attorneys, and doctors are entirely in the private sector.

In the near future, according to the chief of the ABRI Information Center, Brigadier General Nurhadi Purwosaputro, these operational instructions on special investigations will be distributed in the near future to government departments and agencies for implementation. Then, in August, September, and October a series of actions will be taken in the form of refresher and upgrading seminars in Jakarta and the provinces to explain the instructions "in order to provide uniformity and thorough mastery of the 'rules of the game,'" Todo Sihombing said.

In reaction to the BAKORSTANAS plans, Djaffar Siddiq, secretary of the Development Unity Party faction in the DPR, said he hopes the matter of "influenced" will not be handled merely as a political issue but will also be seen from the social aspect. "I am confident that evaluations of 'influenced' are not intended to build a wall that limits the freedom of citizens to think and speak," he declared.

IBT As Basis for Economic Development

*90SE0111B Jakarta ANGKATAN BERSENJATA
in Indonesian 26 Jul 90 p 1*

[Text] Jakarta (ANGKATAN BERSENJATA)—General Try Sutrisno, ABRI [Indonesian Armed Forces] commander, feels that the potential of East Indonesia (IBT) represents a very great opportunity for expanding the country's economic basis. There is particular opportunity for further stimulating and expediting efforts to achieve national objectives.

He sees a number of conspicuous obstacles to the development and utilization of this potential, obstacles that can be identified. They include problems of population, manpower quality, education, technology, surveys, and research. There is also the problem of regulations to protect society and stimulate national development.

ABRI's top leader said this on Monday afternoon [23 July] while delivering guidance to the Seminar on East Indonesia Maritime Development Until and Including REPELITA VII [Seventh 5-Year Development Plan], which was held at the Navy Officers Residence in Jakarta.

Reviewing Indonesia's experience with development, the four-star general called attention to basic problems still needing resolution. One is a continuing lack of stability in conducting development programs efficiently and effectively. This lack is reflected in the fact that sites unsuitable from a security point of view are still being chosen.

Therefore, he asked that the "knife" of our basic national doctrines, namely the Archipelago Concept and National Resilience, be used to analyze all development strategies that are adopted for IBT maritime development.

Cohesive Bond

Gen. Try Sutrisno had earlier pointed out that the IBT geographic configuration as an insular and maritime region can be called a miniature of the Archipelago. There are many straits, beaches, and beautiful sea floors, and an abundance of natural resources. On the one hand, the area affords opportunity for development; but, on the other hand, if this great potential is not managed and safeguarded well, problems may arise.

Because of the status of IBT as an island region, there clearly is needed a mental attitude that the sea is a link between islands and that together they constitute a perfect whole. The sea is a cohesive and binding element for the islands, and not a separator. This viewpoint is based on the Archipelago Concept. The visible realization of this concept must always be upheld and promoted among the people as an aspect of national life.

Demographically, he added, IBT's population is relatively sparse and unevenly distributed. This situation is clearly not beneficial, either to development or to defense and security. IBT has enough room for residents and workers from outside the region, people who will work together to make effective use of such an extensive area. He asked that, in doing this, thorough consideration and care be given to the various aspects involved, so that these activities will not produce new social problems later.

Room to Work

Standing before 300 participants in the 3-day seminar, the ABRI commander explained at the beginning of his message that the seas of the Archipelago represent both a natural resource and room to work as we endeavor to bring to realization Indonesian national aspirations and objectives.

IBT waters are an integral and inseparable part of the Archipelago's seas. This is especially true of the function of the sea as a connector and a means for achieving the wholeness and integrity of national life and livelihood. The objective is the creation of a unity that encompasses politics, economics, sociocultural aspects, and maintenance of security, consistent with the meaning and spirit of the Archipelago Concept.

He also referred to the president's statement of last January, in which the president said that more emphasis will be given to development of IBT. This is a very strategic decision and illustrates that development in the IBT region, particularly with respect to maritime activity, meets a very pressing collective need. There is also a great need for interrelationship and integration among all components of the national struggle, for the

sake of better efficiency and effectiveness in our efforts to reach development targets.

He said that ABRI in its role as a defense and security force feels called to contribute ideas in the form of national development concepts in general, and maritime aspects in particular. ABRI is confident that the success of IBT's development will expand Indonesia's economic basis, an expansion much needed for the achievement of its national objective. This objective is a society that is just as well as materially and spiritually prosperous, a society that is founded on Pancasila and has for its vessel the unitary state of the Republic of Indonesia.

The seminar is being attended by senior Navy people like Minister Coordinator for Politics and Security Sudomo and other former chiefs of Navy Staff and by Minister of Defense and Security L.B. Murdani, Minister of State and State Secretary Drs. Mardiono, Chief of Navy Staff Vice Admiral M. Arifin, and Mrs. Siti Hadiyanti Rukmana.

Industrialist Comments on Work Force, Container Industry

*90SE0111D Jakarta MERDEKA in Indonesian
31 Jul 90 p 4*

[Text] Jakarta, 30 Jul (MERDEKA)—Although Indonesian manpower is abundant, it is not cheap, trained or professional, Sudwikatmono said Saturday [28 July] in Jakarta when he announced the opening of a container factory that he and his colleagues have built jointly.

The container firm is PT [Limited Company] Asia Perintis Contindo (ASPEC), which has been built in the Cikarang area of West Java. First-phase capital totals about \$40 million, and capital for the next phase will be about \$65 million.

The company is also supported by the Nilam Group and the Djonit Prananto Group.

Sudwikatmono, who acts as president-commissioner of the company, said that if the Indonesian work force were trained and professional it would clearly be as good as the work force in South Korea or Taiwan.

It is because the work force in those two countries is skilled, clever, and professional that they have problems and often voice demands and go on strike.

The likelihood of strikes in Indonesia is extremely small, except in companies that do not have SPSI [All-Indonesia Labor Federation] locals or joint labor agreements.

Strikes occasionally occur in companies that do not have SPSI locals or joint labor agreements. Sudwikatmono therefore feels that it is a mistake for a company not to establish such a worker organization.

He also said that land is relatively cheap in Indonesia, which makes factory construction more desirable here.

The containers, which will be produced beginning in July 1991, will be for both domestic and export use.

ASPEC will be the fourth container producer in Indonesia, and there is a great possibility that there will be others.

He said the Hyundai Company of South Korea is giving "technical assistance."

He said further that in Indonesia there are container ports only at Tanjung Priok, Tanjung Perak, Belawan, and Ujung Pandang. Semarang and East Indonesia will follow.

Ports in East Indonesia must be container ports, especially in Irian Jaya, because of the great export potential of the region.

The first container ports being built in East Indonesia are at Sorong and Jayapura (both in Irian Jaya). There will also be one at Ambon if needed for maritime products.

That is the plan of the Department of Communications, said Sudwikatmono. He said that if nonoil exports grow but are not supported by facilities, they will be like "people shouting in the desert."

Sudwikatmono is confident that it will not be hard to sell the containers he produces, especially because he is prepared to be competitive.

At the beginning of his statements, he said the demand for containers is increasing from year to year, just as ports are growing. He built his plant for that reason.

The transportation of goods under the container system is more practical, efficient, economical, and safe.

He said the basis for the idea to build a container plant was to help the government to expand nonoil exports and transfer technology, while at the same time creating jobs.

The factory, which covers about 8 hectares, will absorb about 600 workers.

The containers will be of the "steel dry" type of both 20- and 40-foot sizes. Annual first-phase capacity will be 24,000 TEU (twenty equal units) [as published], and capacity will be raised to 40,000 TEU during the first five years.

In 1986, the containers in use totaled 5,310,000 TEU. The total rose to 5,620,000 TEU in 1987, to 6,200,000 TEU in 1988, and to 6,760,000 TEU in 1989. In the coming year, it is expected that the number will rise even more.

Container demand in the Asia-Pacific region is for about 60 percent of all those in circulation.

Middle Managers Needed

90SE0111A Jakarta KOMPAS in Indonesian
4 Aug 90 p 4

[Text] Jakarta (KOMPAS)—In the next quarter-century, Indonesia will face a globalized economy and the spread of new technologies that will affect the balance of world economic power. To cope with this, more and better human resources will be needed. This is especially true of middle management personnel if we are to achieve a more balanced and stable economic structure. This view was voiced on Wednesday [1 August] by Iman Taufik, of KADIN [Chamber of Commerce and Industry], and Wardiyasa, director general for basic chemical industries, in the 1990 National Seminar for Indonesian Engineers, held at Sahid Jaya Hotel in Jakarta.

According to Iman, middle management still has a minimal role in Indonesia, and decisions are being made by a small group of leaders at top levels. This produces social disparities during times of rapid economic growth and makes relationships in society fragile. Because of this social aspect, consideration should be given to rotating middle managers so that top positions are not held too long by the same people.

Next 25 Years

In the next 25 years, Iman Taufik said, human resource priorities will be in the fields of natural resource exploitation technologies, maritime activity, information and telecommunications, and environmental protection technologies. Development will be directed toward strongly competitive industries, namely those that use natural resources or are labor-intensive, or both. Furthermore, entrepreneurial skills and high-quality management are needed in addition to technology mastery as we face competition on global markets.

Gunadi, of the Astra Group, who also spoke in the seminar, said that improvement of competitiveness on world markets requires strategic steps. These steps are the selection of mainstay products that will attract industry and improve industrial structure, the manufacture of components ourselves, and the development of markets.

Wardiyasa said this strategy requires mastery of process technology, which can be acquired by purchasing licenses from technology owners and by improving existing technologies. One of the ways Japan did this was by enhancing the polyester technology for which it bought a license in the 1950's. As a result, it was able to sell higher technologies in the 1970's.

Foreign Aid, Cooperation Exchanges Reported

Savannakhet, Quangtri Mass Organization Visits

90SE0075A Vientiane PASASON in Lao
11 Jun 90 pp 2,3

[Report by Phouvattana: "A New Atmosphere for Cooperation"]

[Excerpts] In 1990 the cooperation and relations between the comrade provinces of Savannakhet Province and Quang Tri Province in the SRV have, compared with past years, been conducted in an atmosphere which has been improving in economic, cultural and social areas as well as other areas. This comradeship between Savannakhet Province and Quang Tri Province is based on the cooperation of the mass organizations such as that of the LPRYU [Lao People's Revolutionary Youth Union] of Savannakhet Province with the Ho Chi Minh Communist Youth Organization of Quang Tri Province, that of the Lao Women's Federation of Savannakhet Province with the Women's Federation of Quang Tri Province and that between the Lao Trade Unions of Savannakhet Province and the Vietnamese Trade Unions of Quang Tri Province.

In past years the cooperation between the mass organizations of the two provinces did not have a particular focus generally just because of the policy line for the cooperation. In particular there had been no exchange of representatives between the mass organizations so that cooperation between these organizations could not have the right atmosphere. [passage omitted]

Therefore there was a very good atmosphere for the cooperation in improving and building the mass organizations of the two provinces from the beginning.

For example at the beginning of March representatives of the LPRYU of Savannakhet Province [passage omitted] visited the Ho Chi Minh Communist Youth of Quang Tri Province, and at the beginning of April representatives of the Ho Chi Minh Communist Youth of Quang Tri Province [passage omitted] visited the LPRYU of Savannakhet Province.

At the beginning of April 1990 representatives of the Women's Federation of Savannakhet Province [passage omitted] visited the Vietnamese Women's Federation of Quang Tri Province. And at the beginning of May representatives of the Vietnamese Women's Federation of Quang Tri Province [passage omitted] visited the Women's Federation of Savannakhet Province.

At the end of 1989 representatives of the trade unions of Savannakhet Province [passage omitted] visited the Federation of Vietnamese Trade Unions in Quang Tri Province. And on 30 April representatives of the Vietnamese trade unions of Quang Tri Province [passage omitted] visited the Federation of Trade Unions in Savannakhet Province.

With the exchange of representatives for each mass organization in Savannakhet Province and Quang Tri Province, each mass organization was able to exchange lessons with its counterpart concerning guidance and building cadres and membership for these youth, women's and labor organizations.

In order to continue to carry out the political duties of the party effectively, allow the operations of the mass organization of the two provinces steadily to improve, and especially to bring the cooperation between the mass organizations of the two provinces steadily closer through the exchange of representatives, each group of representatives of each mass organization was unified in signing a memorandum of cooperation. [passage omitted]

Japanese Voluntary Agency Aid in Bolikhamxai

90SE0075B Vientiane PASASON in Lao
26 May 90 pp 1,3

[Unattributed report: "Presenting a Meeting Place for the Women and Children of Bolikhamxai Province"]

[Text] In the morning of 23 May in Ban Souansavan Village, Sivilai Canton, Paksan District, the Central Organization of the Lao Women's Federation officially presented a meeting place erected for women and infants with the free assistance of the Japanese Voluntary Agency, which is represented by the initials: G.B.C., to the Women's Federation of Bolikhamxai Province. It will be used in the project to help the women and infants in the countryside.

Mrs. Dr. Davon Vongsak, the Deputy Chairman of the Central Committee of the Lao Women's Federation made the presentation speech and Mrs. Inta Saimounkham, the Chairman of the Bolikhamxai Province Women's Federation made the acceptance speech. Those present included Mr. Taniyama, the head of the G.B.C., his party, the local administration, and many local people.

Construction of the meeting place for the women and infants of Bolikhamxai Province started three months ago. It is a one storey building with two rooms which are eight meters wide and 16 meters long. It cost more than U.S.\$10,000. The administrative committees of Sivilai Canton and Ban Souansavan Village provided 1 hectare of land to the meeting place so that activities could be expanded later.

Dr. Davon Vongsak also reported that recently the Central Committee of the Lao Women's Federation and the G.B.C. had presented a meeting place for women and children to the Women's Federation of Khammouan Province. The G.B.C. has provided free funds to the project to help Lao women and infants which have been used to construct meeting places for the Central Organization of the Lao Women's Federation in Vientiane Province, Bolikhamxai Province and Khammouan Province. Mr. Taniyama, the head of the G.B.C., told

PASASON reporters that: "in the future the G.B.C. would provide more assistance to Laos for the project to help women and infants in the countryside."

Joint Venture Exports to Japan

90SE0075C Vientiane VIENTIANE MAI in Lao
31 May 90 pp 1,4

[Unattributed report: "This Year the Tha Ngon Agricultural Settlement Produced 76 Tons of Melons for Export"]

[Excerpts] A report from Comrade Thongtham Sounthongmavong, an agricultural specialist at the joint Lao-Japanese project to produce pickles, stated that [passage omitted] the project had used joint funds amounting to U.S.\$121,000. This year production of this type of pickling cucumber on 23 hectare amounted to 76 tons. However after the cooking and pickling it only amounted to 32 tons. It had already been shipped to Japan.

The specialist reported that they had also grown a new type of corn on 28 hectare as part of this project and would harvest an average of 40 tons per hectare. They would harvest both its stalk and ear. He said in closing that when this type of corn was dried and processed, it retained only 20 percent of its original weight and could be exported to Japan as animal feed for U.S.\$200 per ton.

PRC Cooperation in Mekong Transportation Study

90SE0075D Vientiane VIENTIANE MAI in Lao
20 Jun 90 p 1

[Unattributed report: "Lao-Chinese Survey of Mekong for International Ship Traffic"]

[Text] A foreign radio broadcast yesterday morning reported that recently LPDR [Lao People's Democratic Republic] and Chinese officials had cooperated to survey the Mekong River and study the feasibility of dredging a channel for shipping between the two countries.

The radio report stated that the 700 km stretch surveyed had been in the LPDR and that which remained to be surveyed flowed through Yunnan Province in China. The results of this 1 month survey indicated that if the obstructions were dredged out, this stretch of the Mekong River could be a good commercial shipping route because it would be suitable for ships up to 200 tons. However this information has not yet been issued by the parties involved.

The LPDR and China now have friendly relations. High-level delegations from both countries have gone on good-will visits, and problems of trade and cooperation between the two countries in various areas have been handled in a constructive and friendly atmosphere.

Civil Aviation Cooperation With PRC, U.S. Firms

90SE0075E Vientiane PASASON in Lao
21 Jun 90 pp 3, 4

[Unattributed report: "Lao Airways Gets International Assistance To Assure Quality, Del Chang Inc. Has Proposed Investing \$3 million in Lao Airways"]

[Excerpt] [Passage omitted] As everyone knows Lao Airways has a business relationship with the "Chinese National Import and Export Enterprise for Avionics", which is abbreviated: CATIC (CATIC), to purchase Y-12 aircraft. The Del Chang Company coordinated this relationship during the period before the two governments renewed normal relations as for example when representatives of Lao Airways led by Mr. Khamki Phaiphachan, the director of Lao Airways, traveled to China to join in the presentation ceremony for the guarantees of the Y-12 aircraft, and when representatives of Lao Airways made arrangements to purchase the Y-12 aircraft. There was also the trip to Singapore for the international air show. And all the expenses for training pilots and mechanics for the Y-12 aircraft were covered by "Del Chang Inc." as were living and travel expenses. "Del Chang Inc." is a corporation in Miami in the United States. It is headed by two people: Mrs. Rina Viboun Sirivong Chang and Mr. Chang Thian Hou. They are both of Chinese nationality. Because of its success in arranging the sale of the two Y-12 aircraft to Laos, the "CATIC" enterprise of China has entered an agreement to make "Del Chang Inc." its representative for the distribution of Y-12 aircraft and spare parts and of Z-9A (Z-9A) helicopters from China in the LPDR. The cooperation between these two companies has not only improved and expanded the Lao air network but has also played an important part in steadily improving and expanding the cooperation between Laos and China.

With regard to aircraft operations "Del Chang Inc." has submitted a request to invest in international routes with Lao Airways. The initial investment would be \$39 million. This proposal was made at the end of 1988. In the two years since then Lao Airways and "Del Chang Inc." have signed two agreements and completed the contractual documents required by LPDR investment law. They have also prepared other documents to facilitate cooperation between the two companies, and this will play a part in steadily increasing the cooperation between Laos and the PRC.

"Del Chang Inc." is expected to open an office for aircraft purchasing in the LPDR on the third floor of the building at 46 Samsenthai Street (the building of the Vientiane Municipality Provision Enterprise). At present the company has a temporary arrangement: one can reach Mr. Khamthi Thammachak at telephone No. 2546 at house No. 208 Pangkham Street. [Photo captions: DEL CHANG IMPORT & EXPORT INC. 7335 N.W. 56th ST. MIAMI, FL. 3316 (Z-9A), FAX: 305-884-8635, TEL: 305-884-8585, 8685]

Factional Gains, Losses in MCA Election

90SAE0109B Selangor SIN CHEW JIT POH
in Chinese 30 Jul 90 p 3

[Article by Lin Jui-yuan: "Ling and Lee Factions Both Show Gains and Losses"]

[Text] **Curtain Falls on Malaysian Chinese Association [MCA] Elections. Both Ling and Lee Factions Show Gains and Losses in Elections.**

Datuk Seri Ling Liong Sik, a medical doctor, is happiest about the Ling faction being able to keep firm control over the central committee, but he is most disappointed about not being able to completely root out the power of the Lee faction, and also about "sacrificing" several high-ranking officers. Although Datuk Lee Kim Sai is gratified that he still holds a certain amount of influence in the Malaysian Chinese Association, his supporters such as Datuk Kuo Wei-chieh and Datuk Huang Ch'iu-kui face a bleak future because of their defeat. From now on, Datuk Lee will no longer be as comfortable in the Malaysian Chinese Association as formerly, and he is bound to come under pressure.

The Ling faction cannot be ruthless since the Lee faction still holds a foothold at the association's leadership level. How can anyone say that democracy in the Malaysian Chinese Association is not a good thing? Although Datuk Lee Kim Sai's power is weakened, after the general election, or with new elections three years hence, he may gain it back.

Advantages From Both Sides. Ah Lek Wins Without Fighting

The Malaysian Chinese Association election produced an unexpected outcome that may be attributed to several reasons: (1) The central delegates responded to Datuk Lee Kim Sai's call ("don't be ruthless"), and other delegates may have reacted against the Ling faction's aggressiveness. (2) The Malaysian Chinese Association's election success stimulated the delegates decision not to rely on "menu" voting. (3) The intense contest for the deputy secretary general and the central committee positions, one state having two or three candidates, led to the success of "dark horses."

The continuation in office of both Datuk Ling Liong Sik and Datuk Lee Kim Sai was predictable. The huge figures by which they won out over their adversaries shows that most association members still hope to see Ling and Lee keep working in tandem, and continuing to lead the Malaysian Chinese Association. Nevertheless, one of Ling Liong Sik's adversaries, Huang Jih-lung, received 303 votes, showing some delegates dissatisfaction with Ling. Ling will have to do more in the way of self-criticism. By contrast, the Lee Kim Sai adversary who received the most votes had only 132, but invalidated ballots ran as high as 201.

If the votes that Ling and Lee receive reflect their real grassroots power, they will not work closely together.

However, the fact is that most central delegates do not want to see a split in the Malaysian Chinese Association, so they gave them vigorous support. Only a small number of delegates cast sympathy ballots.

In the hot race for the deputy secretary general position, Datuk Lim Ah Lek was elected as everyone expected with 1,276 votes, more than either the 1,225 votes for Ling Liong Sik, or the 1,153 for Lee Kim Sai. Lim Ah Lek deserves praise for an excellent performance in getting this number of votes in a 13 man contest.

Although Datuk Lim Ah Lek leans toward the Ling faction in the struggle between the Ling and Lee factions, his volunteering his services as a mediator brought him gains from all sides. He is generally accepted by both factions and association members. Consequently, he should follow closely behind Ling and Lee in occupying the third highest position of leadership in the Malaysian Chinese Association. In view of his amiable personality, as well as his fine relations with Wu T'ung, it is not impossible that he may be chosen for a higher position in the future.

Commanders Without Troops. Shih-chin Is Happy, and Wei-chieh Is Sad

Because of the support provided him, Lim Ah Lek achieved victory without fighting. The remaining three deputy general secretary jobs were contested by 10 people. The outcome was that Yun Shih-chin was lucky in winning the largest victory. The other two elected were Chua Jui Meng and Datuk Yap Pian Hon

Yun Shih-chin's luck was much greater than Kuo Wei-chieh's. Although both are deputy ministers, their grassroots power is weak. Kuo Wei-chieh is particularly well known for being a "commander without troops."

The Ling faction was determined to oust Kuo Wei-chieh because Kuo Wei-chieh said that "every day that Ling Liong Sik was in his position, the Malaysian Chinese Association could not raise its head to face the Chinese community." It was the Malacca Alliance Committee that he heads that opposed Kuo Wei-chieh most implacably. Ling Liong Sik also once served as the chairman in Malacca; consequently, not only did Kuo Wei-chieh not gain support from Malacca, but even the Ling faction delegate in his own state did not cast a vote for him. The 591 votes he received should have gone to the Lee faction, and he should feel gratified at having received as many votes as he did.

However, since Yun Shih-chin's grassroots strength was a little stronger than Kuo Wei-chieh's, he was able to gain from the knockdown battle between Ch'en Jen-an and Ch'en Li-chih, emerging the winner with 78 votes.

Both Ch'en Jen-an and Ch'en Li-chih come from Perak, and there was never any doubt that the central delegates from Perak would divide Perak's votes between them. This also drew down the number of votes each received. Ch'en Li-chih received 588 votes, 11 more than Ch'en

Jen-an. In order to break out of the situation to become deputy general secretary, even though Ch'en Jen-an declared that he cast his own vote for Ch'en Li-chih, Ch'en Li-chih was an encumbrance for him, and it was Datuk Lu Yin-yu, who was the third of three antagonists with Ch'en Jen-an and Ch'en Li-chih in Perak who benefited without trying very hard. Although Lu Yin-yu did not seek a high position, he won the largest number of votes. The mutual slaughter between the two Ch'ens within the association certainly deepened the animosity between the two, and Lu Yin-yu was able to watch the other two fight from the safety of the sidelines, reaping the spoils for himself.

Therefore, even though Yun Shih-chin did not receive a large number of votes, the number of votes he did receive were sufficient to squelch Kuo Wei-chieh, and Ch'en Jen-an and Ch'en Li-chih luckily scored fourth in votes for deputy general secretary.

With Protection From Older Brother, Jui Meng Has Smooth Sailing

Chua Jui Meng came in second in number of votes. Although protected by general secretary Ling Liong Sik, who also personally attracted votes for him, he received only 832 votes. Had he received the 65 percent of the central delegates support that the Lim faction said he would, he would have received more than only 800-odd votes. This showed that some Lim faction delegates were also unhappy about his having run counter to the central committee's six agreement to maintain six high positions unchanged.

Chua Jui Meng is Ling Liong Sik's favorite "follower," so the present upward movement and smooth sailing in his political career is foreseeable.

However, another name on the Ling faction's menu to replace Selangor assemblyman Huang T'ien-fu, one of two Lee faction deputy association heads, was Datuk Yap Pian Hon, also an assemblyman from Selangor.

In running for the position of deputy association director, Huang T'ien-fu was full of confidence, but he failed to take into consideration the power in the Malaysian Chinese Association's Selangor Malaysian Youth Association of Datuk Yap Pian Hon, who was earlier removed from office in the youth association. Both Huang and Yap hail from Selangor, but most of the Selangor delegates supported Yap Pian Hon, so Huang T'ien-fu received only the 539 basic votes of the Ling faction.

The Malaysian Youth Association's support for Yap Ping Hong, which was given at the last minute, also gave Yap Ping Hong a desirable 76 votes. Just before the Malaysian Youth Association vote, Malaysian Youth Association director Ch'en Kuang called upon the Malaysian Youth Association delegates to support Yap Ping Hong. Yap Ping Hong's election as deputy director of the Malaysian Chinese Association is in keeping with

a long tradition for deposed Malaysian Youth Association leaders. After stepping down from the position, Ch'en Kuang can also gun for a deputy association position with full confidence, because traditionally the Malaysian Youth delegates will support him, and this will not at all be a bad thing for him.

Risen From the Dead and Brought Back to Life. Ping Hon Sees the Light Once Again

Originally no one saw a way for Datuk Yap Pian Hong to break out of the siege to which he was subjected in the tumultuous struggle, but Lee Kim Sai's power in Selangor (the Lee faction in Selangor can't stand Huang T'ien-fu), and support from the Malaysian Youth Association enabled him to rise from the dead and come back to life. His political prospects are bright once again. However, now that he is a Malaysian Chinese Association national leader, possibly he may have to contest a national parliament seat in the next general election. If he is approved by the Malaysian Chinese Association's central delegates, will he be approved by the electorate?

A look at the votes received by the 11 candidates for association deputy director shows that aside from Lim Ah Lek and Chua Jui Meng, who received support from more than 50 percent of the 1,599 central delegates, all the other candidates received only a few scattered votes. Clearly, there is a divergence of views among the central delegates about the election of a deputy association director. Consequently, the two principals fought a life and death struggle with each other for an unexpected outcome. (Lim Ah Lek getting 79.67 percent of the vote, and Chua Jui Meng getting 52 percent.)

In the contest for 20 central committee positions, the Ling faction supporters took 17, only Huang Mu-liang, Ch'en I-ch'iao, and Woon See Chin managing to succeed. The 17 successful candidates from the Ling faction were Ch'en Tsu-p'ai, Lu Yin-yu, Chu Sheng-ts'ai, Shih Ch'ing-lin, Lin Ssu-chiang, Lin Shih-ch'ing, Huang Chia-ch'uan, Huang Ssu-hua, Fang Chuo-hsiung, Lin Jih-ching, Liu Wen-feng, Han Ch'un-chin, Ho Tso-ch'iang, Ch'en Ts'ai-ho, Li Chin-chang, Ho Jen-te, and Huang K'o-ch'iang.

The tilt in the votes for central committee positions does not show the strength of central delegates support for the Ling faction inasmuch as the number of Lee faction leaders running for election were not numerous. The failure to get elected of Ts'ai Hsi-li and Ch'iu Li-hsing, whom the Ling faction had put on its menu, demonstrates, in particular, that voting was not done according to a menu.

Removal of Differences. Care To Guard Against an Outbreak of party Strife

Nevertheless, the failure to get elected of deputy minister of culture and tourism, Datuk Huang Ch'iu-kui, may be regarded as a setback for the Lee faction.

The Ling faction now has 17 central committee positions. If an additional seven central committee delegates whom the association director has authority to appoint are added, Ling Liong Sik will control two-thirds of the central committee. This will be of great help in his exercise of authority. Therefore, in advance of the Association election, Ling and Lee have about equal power in the central committee.

In short, the Ling faction was unable to root out the power of the Lee faction in the current party election; thus, the effort to sideline Lee Kim Sai was clearly a defeat for the Ling faction.

If Ling Liong Sik fails to consider the general sentiment against him in the party and continues to elbow aside dissenters, we believe that instability may develop within the Malaysian Chinese Association, and it remains to be seen whether more party strife will continue to occur until after the next general election.

Sabah Chinese Need for Political Base Explored

90SE0102B Selangor SIN CHEW JIT POH in Chinese
11 Jul 90 p 31

[Article by Chen Yingde: "The Predicament of the Chinese in Sabah"]

[Text] Use the Sarawak United People's Party as a Model To Establish a Powerful Political Base for People of Chinese Descent, and Then Take Part in the Organization of a Coalition Government....

Sabah will hold an election on 17 July. When the election is over, will the Partai Bersatu Sabah be in power once again? And can a political party founded on people of Chinese descent be able to succeed in electoral districts in which the electorate is largely of Chinese descent to establish itself in the crevice of political struggle between Partai Bersatu Sabah and the United Sabah National Organization?

Naturally no one can provide a firm answer to the above questions today. All we can do is analyze a little of the history and social factors in the political development of Sabah. After understanding these factors, we will at least have a preliminary understanding of one of the two questions, namely whether a political party based on people of Chinese descent will be able to succeed.

In the nearly 30 years since it became independent and entered Malaysia, Sabah has had three state governments as follows: (1) The United Sabah National Organization government (1966 - 1976); the Berjaya government (1976 - 1985) and the Partai Bersatu Sabah government (1985 - 1990). People of Chinese descent in Sabah had very great influence in the replacing of these three governments. During the period when these three governments held power, the Chinese in Sabah also took a severe pounding.

During the period of the United Sabah National Organization government, there was only the United Sabah National Organization and the Sabah Chinese political parties in the state government. In the state parliament, the United Sabah National Organization held 26 seats and the Sabah Chinese Party only five. In this political organization, the Sabah Chinese Party played a negligible role. When the United Sabah National Organization was in power, numerous political wrongs occurred that caused people of Chinese descent extreme dissatisfaction.

During the 1970's, the Berjaya, a multi-racial political party, rose in Sabah. Founded on opposition to dictatorship and tyranny, Berjaya united an overwhelming majority of the Kadazans, the Chinese, and some Moslems, finally overthrowing the United Sabah National Organization government to take power in the Sabah state government.

Berjaya's attainment of power through a multi-racial political party was a very healthy political event. Had the Berjaya party government been able to rule Sabah successfully, we have reason to believe that a similar wind of political reform might finally blow to the Malayan Peninsula, enabling a multi-racial political party to get control of the federation government, reducing the polarization of the races, and promoting the unity of the people.

Unfortunately, this was only an illusion. This political illusion was also obliterated during the 1980's!

During the period of Berjaya rule, the dictatorial style of party president Datuk Harris Salleh, as well as his methods of administration, displeased both the Kadazans and the Chinese. As a result, a new multi-racial political party, the Partai Bersatu Sabah, appeared.

Relying on the the "Danbunan" spirit, meaning the spirit of the Kadazan people, the Partai Bersatu Sabah roused the people to oppose Harris Salleh. It managed to win the sympathy of the Sabah electorate from a position of weakness. With powerful support from the Kedayan and the Chinese electorate, the Partai Bersatu Sabah won a brilliant victory in the 1986 Sabah election.

Today, the opposition Party, which is made up primarily of people of Chinese extraction, points out that after the Partai Bersatu Sabah came to power, it promoted Kedayanism, showing serious bias in appointments to the cabinet and as assistant ministerial positions, and in the hiring of people to all government agencies and semi-official institutions, and in the apportionment of scholarship funds and student loans.

Some people of Chinese descent believe it is necessary to establish a powerful political base in Sabah made up of people of Chinese extraction. They believe that Sabah Chinese should put down political roots as the only means of insuring the rights of the Sabah Chinese. They hope to win a victory in Chinese electoral districts, after

which they will organize a coalition government with political parties of other races, and operate from a position of equality in winning the rightful rights of people in Sabah of Chinese descent. The political party espousing this fresh political point of view is the Democratic Liberal Party (Partai Demokratik Liberal) Sabah founded on 24 September 1989.

The Democratic Liberal Party believes that because the Sabah Chinese have no political base, they have no political power they can use in bargaining, and consequently they can only be at the mercy of others. They propose that a Chinese political party should take the Sarawak United People's Party as its model for establishing a powerful Chinese political base, and then take part in the organization of a coalition government. The Democratic Liberal Party notes further that there are four ministers and two assistant ministers of Chinese descent from Hsi-niao-chih-hsiang in Sarawak. In the government of Sarawak state, there are four chief minister political secretaries of Chinese extraction. The mayor of Nan City in the Kuching Municipal Council, the president of the Sibu City Municipal Council, and the president of the Bele City Municipal Council are all Chinese. The senior official in Sibu and in Bele are also Chinese. The Sarawak Forestry Bureau director, the Land Bureau director, and the Finance Department director are all Chinese.

For this reason, the Democratic Liberal Party believes that the Sabah Chinese should use the Sarawak United People's Party as a model to gain rights for the Chinese.

The Liberal Democratic Party's political proposal is very new in the Sabah political forum.

A substantial number of Sabah Chinese are Hakkas. The Hakkas are world famous for the "Hakka spirit" of hard work, ability to bear hardships, and courage. During the 1970's and the 1980's, this Hakka spirit in the Chinese electorate had a far-reaching effect on the Sabah political forum.

Today, the most crucial question is whether this position of the Democratic Liberal Party can convince the electorate in Sabah of Chinese ancestry?

If this political stand is unable to gain the adherence of the electorate of Chinese descent in Sabah, then this election will accomplish nothing for this predominantly Chinese political party.

If the Democratic Liberal Party can convince the electorate of Chinese descent to create a megatrend, then the predominantly Chinese political party will be sure to make an appreciable showing in the forthcoming election!

Chinese Criticism of APU Party

90SE0096A Selangor SIN CHEW JIT POH in Chinese
18 Jun 90 p 7

[Article dated Kuala Lumpur 17 June 1990: "Lee Kim Sai (Li Chin-shih) Says Only the United Malays National Organization (UMNO) is Willing To Share Political Power With Other Ethnic Groups—Difficulties for the Chinese Community if Opposition Front Comes to Power"]

[Text] Dato Lee Kim Sai, chairman of the Malaysian Chinese Association, believes that after the seventh general election, the Barisan Nasional [National Front] will no more merely have to face the opposition parties, but will have to face the challenge of providing the people with a front to vote for.

However, he also said, no matter how you translate that other front into Chinese, as Islamic front, popular front, or front of alliance, the Malay name remains unchanged as Angkatan Perpaduan Ummah [APU].

He said in his opening remarks at the "Training Course for General Election Speakers," held here at the Mahua [Chinese-Malay] Building and sponsored by the Selangor branch of the Malay Youth group, that it is necessary for the people to understand which front has what parties as its mainstay.

The Democratic Action Party Maintains a Lukewarm Relationship

He said that the Semangat 46 [Spirit of '46] Party and the Islamic Party are actually the mainstay of this [APU] front, while the Democratic Action Party is at times linking up and cooperating with the front, but on other occasions does not dare associate itself with it, the "ya cheng" affair being evidence of this.

He indicated that the Chinese of Malaysia should only analyze that, apart from Tunku Razaleigh, the background of the leaders of the Semangat 46 Party and the political record of the Islamic Party on the east coast, enables us to understand that any front [such as the APU] supported by these two parties, as soon as in power, will prove ruinous to the Chinese community.

He said that it is quite possible that great difficulties would arise for the achievement of political, economic, and cultural rights of the Chinese community.

Dato Lee Kim Sai is also minister of housing and local government. He said, the Islamic Party has all along regarded the leadership of the UMNO as rule by people with alien religious beliefs because they would cooperate with non-Islamic parties.

He said the aim of the Islamic Party in its struggle is to have the 5 million Chinese of Malaysia abandon their own characteristics and religious beliefs and become Mohammedans, as the only way for them to become Malaysians of Malaysia.

He indicated that UMNO is quite different, in that it is willing to cooperate with the Malaysian Chinese Association and share political power with the Chinese.

He said: "Throughout its existence, from the times of the Federation to today, the National Front has always obtained over two-thirds of all votes in general elections."

This signifies acceptance and support by people of all ethnic groups for the composition of the National Front government.

A General Election This Year

He said, among developing countries, stability of the Malaysian political situation ranks very high, which is proof that the composition of the National Front government is supported by the people.

On the other hand, he believes that unless something unexpected happens, the eighth national election will be held this year. He therefore urges all party members to prepare well and to display a spirit of the "wu bian" by-elections.

Earlier, Teng Shih-han, who chaired the meeting and was head of the Selangor Malay Youth group, said, regardless of when the general election will be held, all members of the Malaysian Chinese Association must prepare well for it, which includes having sufficient material at their disposal to refute all charges by the opposition parties.

However, he also said that there are many members of the Malaysian Chinese Association who serve in the Du Zhong [Independent Chinese] and Hua Xiao [Small China] organizations, but when people charge that the Malaysian Chinese Association does not assist Du Zhong and Hua Xiao, these party members do not dare speak up in defense of the Malaysian Chinese Association.

He believes every single party member must have speech-making ability in order to be able to convince the audiences by their speeches.

The present training course for general election speakers had two lecturers, namely Zhong Desheng, assistant organizational secretary of the All-Malaysia Youth Group of the Malaysian Chinese Association, and Weng Shih-chieh, member of parliament for the Anbangzaiye district and concurrent deputy chairman of the lower house of parliament.

Chinese Community Defends Chinese Elementary Education

90SE0088B Selangor SIN CHEW JIT POH in Chinese
24 May 90 p 31

[Article by Hsu Yuan-lung: "Assuring That the Nature of Chinese Elementary Education Will Never be Changed"]

[Text] Malaysia's Deputy Minister of Education Yun Shih-chin announced yesterday: Under a new educational law, the boards at all 432 Chinese primary schools operating within the territory of the Malaysian Government will be abolished. That means, that there will be no more boards from now on in all fully government-subsidized state-run primary schools, in Chinese primary schools, and in the Indian primary schools throughout the country.

Mysterious Indeed

The National Front government promised in its election campaign manifesto, prepared for the 1986 general election to abrogate Article 21 (2) of the Education Act [which gives the ministry of education absolute power to convert vernacular schools to national schools], which would mean that the nature of Chinese elementary education would never be changed.

During the subsequent four years, Chinese elementary education passed through stormy times, moving from one crisis to another, from one misfortune to another, and our countrymen of Chinese descent have waited day and night for an amendment of the mentioned legal provision, an amendment that would be of benefit for Chinese education.

After its landslide victory in the general election (gaining a four-fifth majority), the National Front did not honor its election campaign promise to immediately abolish the mentioned article, which constitutes an ever-present threat to the nature of Chinese elementary education.

Most recently, the relevant ministries (including the prime minister, the deputy prime minister, the Minister of Education Anwar, the Malaysian Chinese Association, and the Gerakan Party) have let it be known bit by bit—allowing our countrymen of Chinese descent to gain only a half-baked knowledge of it—what the "substance" of the new law will be. In spite of this mystifying behavior, some people actually welcomed the "substance" of it, applauding it, and repeatedly asserting that it guarantees that the nature of Chinese elementary education will for ever remain unchanged.

Drafting of the new Education Act reminds one of the mannerism of "hiding half one's face by carrying a Chinese lute" [a quote from classic poetry]. The Minister of Education Anwar could no longer delay the announcement that he will submit the draft to parliament in June, and that the law will come into force toward the end of this year.

As there had been this delay and some disinclination to publish the draft of the new law, well-informed people subconsciously feel that the new Education Act will certainly be unfavorable for Chinese education. Otherwise, would these people not proclaim the good news to the Chinese community with great fanfare? For what reason would they proceed so mystifyingly, reveal some and hide some?

The country's chief superintendent of educational boards has for a long time closely watched the question of transferring Chinese primary school land to the government, which had been done to gain the status of fully government-subsidized primary schools.

Wise Foresight

The chief superintendent of educational boards has repeatedly emphasized to some leaders of Chinese associations that the random turning over of Chinese primary school land to the government should be stopped, because it will deprive the Chinese educational boards of their control over the schools, which in turn may have detrimental consequences with respect to possible changes in the character of Chinese elementary education.

For many years the chief superintendent of educational boards has displayed very enlightened foresight in this matter of turning over land to the government, because the final educational objective of the National Front government is to establish a state of "one language, one culture, and of ethnic uniformity." This means that all originally existing schools will be transformed into government schools, and that the national language will be the language of instruction.

Now, newspaper reports about the coming abolition of boards in Chinese primary schools confirm that the anxiety which the chief superintendent of educational boards had expressed for a long time were not groundless fears, but showed his enlightened foresight!

Let Us Proceed With the Important Task

We know that the boards in Chinese primary schools and independent middle schools have from very early times on played an important role in the development of the schools. Nobody can deny or expunge this fact. So that Chinese education could grow to the maturity it is showing today, our worthy forefathers had to expend much mental and physical effort. How can we cancel out their great achievements with one stroke of the pen?

Malaysia's Ministry of Education receives an annual allocation of several billion ringgit (6 billion in Malaysian currency) from the budget of the ministry of finance, but how many percent or how many "ning ji" of this astronomical figure are spent on the development of Chinese elementary education?

In Malaysia, Chinese primary schools, be they fully or half-way subsidized, are all left outside of the developmental main current of the ministry of education; they are without question the abandoned children of the ministry of education.

Chinese primary schools are one component of the state's educational system, but they receive only a pitifully small allocation of funds. Our Chinese primary schools are either overcrowded to bursting point or sparsely attended, or their equipment is primitive and

crude, or they are in a bad physical shape, many of them even being housed in buildings that have become hazardous. Why is the ministry of education ignoring these educational problems which are of so immediate concern to the people? We are citizens and also tax-payers. Why should our children not have the opportunity to share the rights and benefits of citizens?

Establishment and development of Chinese primary schools, whether fully or half-way subsidized by the government, is still a heavy burden on the Chinese communities, and the superintendents of educational boards at Chinese primary schools have for a long time played an important role. It is only by their resorting to all kinds of activities to raise funds that the majority of our children at Chinese primary schools have the opportunity to study in a comparatively adequate environment. If the development of all Chinese primary schools, whether fully or half-way subsidized by the government, would be completely under the control of the ministry of education, to what kind of schools would these schools then be transformed?

If the boards in fully government-subsidized schools were abolished, who would in future be responsible for and plan development? Would the ministry of education develop Chinese primary schools in the same way as it does in the case of government primary schools? Or would they treat them, as now, namely look disdainfully at their existence and development, one eye open and one eye closed? Will they finally "for some reason" convert them into government primary schools?

This is the Right Time for Defense and Protection

The fact that the draft of the new Education Act has not yet been officially published allows all people to subject it to examination, but the one section alone, namely the one that abolishes boards in fully government-subsidized Chinese primary schools, is sufficient to alert all citizens of Chinese descent and watch closely how things are developing. Boards in Chinese primary schools must not be abolished; this is one of the preconditions for any guarantee that the nature of Chinese elementary education will never be changed.

Protecting Chinese elementary education from changes in their nature for all times to come is the bounden duty of every citizen of Chinese descent. We are citizens of Malaysia, we are the largest tax-paying group, we must defend the right to our freedom to study our mother tongue and our ethnic culture, a freedom granted by the constitution.

The Malaysian Chinese Association and the Gerakan Party within the National Front have repeatedly assured all citizens of Chinese descent that the nature of the Chinese elementary education will never be changed. If the boards in Chinese fully government-subsidized primary schools are now being abolished, this is the first indication that the nature of the Chinese elementary education will be changed. How will they account for this

to the citizens of Chinese descent? What other miraculous way will they have to reassure the Chinese community?

It is urgently necessary now to call a meeting of the chief superintendent, the Chinese organizations, the boards, the alumni associations, the family education associations, and all parties and groups, to jointly explore the relevant legal provisions and adopt a common strategy in defense of the boards at Chinese primary schools, and to prevent any future changes in the nature of Chinese elementary education.

All citizens of Chinese descent must give close attention to developments in this question, and must, if necessary, rally forth for joint action together with our Chinese primary schools.

Now is the time for all citizens of Chinese descent to rise in defense of the never-to-change nature of Chinese elementary education. Otherwise, if we wait until the law in question will be submitted to parliament for debate in June, "the rice will have been boiled to congee," and the good opportunity will have been lost!

The National Front government is "honest and trustworthy." As it still requires the support from the Chinese electorate, we believe it will still "bow to the will of the people," and for the time being eliminate the article that is so unfavorable for Chinese education, so as to gain more votes and ensure its continued stay in power.

Chinese Need for Fortitude To Meet Challenges of 1990's

90SE0102C Selangor SIN CHEW JIT POH in Chinese
18 Jul 90 p 31

[Article by Hsu He-huo: "The Direction for the Chinese During the 1990's"]

[Text] At the beginning of the 1990's, people of Chinese descent must adopt a completely new posture to face more grueling challenges! Compatriots of Chinese descent should unite with all their strength to open new realms. They should act with self-determination and self reliance. Any selfishness, self-seeking, or mutual recriminations will make more grievous the losses that the Chinese sustain.

Since independence to the present day, the thicket of political parties has resulted in a fragmentation of the political rights and interests of people of Chinese extraction. When the "13 May" race riots incident occurred following the general election of 1969, and Ma Hua left the cabinet because he was soundly defeated in the general election, very many bills inimical to development of the people of Chinese descent were passed by the executive council. A disastrous decline occurred in the position of the Chinese in politics and government. Beginning in the 1980's, cabinet ministers of Chinese descent became token high ranking officials totally lacking in executive authority.

Political Strength of Chinese

During the 1970's and 1980's, Chinese compatriots shouted loudly about a spiritual revolution, and they constantly became enmeshed in personnel disputes and personal animosities. The more resoundingly they shouted slogans, the more the Chinese lost their rights. The Chinese played only a supporting role in the founding of Malaysia. Some people describe their role as having a position but having no authority. During the cogon grass campaign at the end of 1987, a large number of leaders of the Chinese community, and influential figures in political parties were arrested. This showed even more the weakness of the Chinese leaders' power in the country, frequently in spite of themselves.

Unless we quickly change our line and policies for struggle to safeguard our rights as a race, and unless we are steadfast in internal struggle, we will surely sustain greater losses during the early 1990's. In addition, even our political capital for final bargaining will be all gone.

The Deep-Rooted Bad Habits of All Classes of People of Chinese Descent

Quite a few high officials in Chinese political parties concern themselves only about the here and now. Out of fear for their personal position, they remain quiet on numerous matters disadvantageous to their race. Leaders of the Chinese community in different groups do each other down for fame and gain. Politicians loudly shout slogans; businessmen are intoxicated with the prospect of "profits"; people in cultural circles show indifference toward current events; young people scramble for all sorts of material enjoyments; and the spirit of self-reliance of the Chinese is gradually disappearing into the vast dark night. Even though a small handful of upright people, and a small handful of knowledgeable people try their utmost to halt the onrush of a desperate situation and to rectify the deep-rooted bad habits of the Chinese, this is not easily accomplished. This is because over many years, the Chinese have lost too much, and they feel spiritually paralyzed. Many people who are very much concerned about the state of the country, particularly about the future of the Chinese, are profoundly worried about the various challenges of the 1990's.

Need To Install Correct Thinking in the New Generation

At the beginning of the 1990's, not only should the Chinese participate more in the building of the country, and use their collective strength to move into the political mainstream, but we should not neglect to imbue the new generation of youth with more correct educational ideology, and provide more inspiration and encouragement to complete their course work. Sixty percent of the 5 million Chinese compatriots are young people, meaning nearly 3 million of them. We must seize the opportunity, and cherish all the present political, economic, cultural, and educational support available, use the guarantees provided in the federation's constitution

to develop our mother tongue and mother literature freely, and then we must begin with the new generation. Everyone should seek unity in diversity, establish a correct ideology for the new generation, and usher in a new era of "all for one and one for all," and a new circumstance of "oneself being first to be concerned, and oneself being last to enjoy!" We should see to gaining more practical results within the shortest period of time.

Strive To Maintain What One Has and Develop the Newest

At the same time, we should not forget our friendly races. Our Malayan compatriots, in particular, are seizing the opportunity to make great advances in every field, and they keep improving at the same time in the development of some current endeavors. Under protection of new economic policies, our Malayan compatriots are advancing by leaps and bounds. We know that by the beginning of the 2000's our Malayan compatriots will have won more remarkable achievements in every field. Therefore, we should try hard to catch up. All of our complaints and all of our grumblings are superfluous and unrealistic. At the present time, we must not only strive to maintain what we have and develop the newest, but even more we should not forget that in a multiracial country, we must co-exist with other friendly races, and link hands in cooperation with them to take part in all fields of development. We must get the compatriots of friendly races to more deeply understand and feel our sincerity and friendship.

The Chinese people must unite, and all races should live together with good will. Everyone should be less suspicious of each other and be less touchy. During the 1990's we will certainly have favorable conditions, and as we advance into the 21st century, we can likewise be fully confident of being able to surmount all difficulties. Let Chinese compatriots encourage each other in all endeavors.

Educational Guidelines Harmful to Chinese Community

90SE0088C Selangor SIN CHEW JIT POH in Chinese
28 May 90 p 5

[Report dated Kuala Lumpur 27th: "Lin Huangsheng Described Article 21 (2) (of the Education Act of 1961 which gives the Ministry of Education absolute power to convert vernacular schools to national schools) as a 'Spear Thrust in the Open'—If the Chinese Community Will Not Maintain Its Vigilance, Chinese Elementary Education Will Be Seriously Tested"]

[Text] Chief Superintendent of Educational Boards and Chairman of the Independent Middle School Committee Lin Huangsheng today described Article 21 (2) of the 1961 Education Act as a "spear thrust in the open." As long as the government continues to uphold its singular educational objective, it is bound to try, through various

circular orders or administrative measures, all unfavorable for the Chinese primary schools, to change the special characteristics of Chinese elementary education.

He said: "It is easy to dodge a spear in the open, but hard to guard against an arrow shot from hiding." If the Chinese community will not heighten its vigilance, Chinese elementary education will be in for a severe test.

Lin Huangsheng spoke this morning at the Selangor Chinese Club where he presided over the annual meeting of supporters of the National Foundation for Independent Middle Schools.

He said: "Recently, the minister of education has announced that Article 21 (2) of the 1961 Education Act will be abolished; there will be no more be such a provision in the new education law. This announcement was in course 'happy news' for the Chinese community, but does it mean that the Chinese community may be 'complacent' about it? Before the whole text of the relevant law is made public, it is all too early to say."

If the Government Is Sincere About Chinese Elementary Education It Must Provide it With Conditions Enabling Existence and Development

He believes that if the government is sincere about assuring the position of Chinese elementary education in Malaysia after abolishing Article 21 (2) of the 1961 Education Act, it should factually and in reality provide the environment and fundamental conditions for existence and development of Chinese elementary education. This would have to include:

1. Allotment of land and permission to build new primary schools. Presently, many districts with dense Chinese populations and those in new residential districts are in urgent need of new Chinese primary schools, but the government is constantly ignoring this reasonable demand by the Chinese community, and even prescribing that in land reserved for new residential districts only national schools are to be built. If this situation is not changed, many parents of Chinese descent in the new residential districts will be deprived of their fundamental right to elect education in their mother tongue for their children. On the other hand, many Chinese primary schools in the rural areas, because of changes in environment or people moving away from these areas, are facing the unfortunate situation that they may have to close because of a shortage of pupils. In striking contrast, both these conditions mean that the number of Chinese primary schools will certainly decline year after year.

2. Fair allocation of funds to support Chinese elementary education. Most of the more than 1,000 presently operating Chinese primary schools were established before independence. According to statistics, only somewhat over 150 Chinese primary schools have been established during the 30-odd years since independence. Due to longtime discrimination practiced by the government in its allocations of funds, many Chinese primary schools

have to do with dilapidated housing and insufficient equipment. In many cases, even though the school buildings were condemned as hazardous, the government looked on in complete unconcern. Insufficient allocation of funds has therefore become a common phenomenon with Chinese primary schools. Citizens of Chinese descent are also tax-payers of the state, and the government must treat everybody equal without discrimination in the allocation of education funds. There must be no favoring one and shortchanging the other. This is the only way that will assure normal development of Chinese elementary education.

3. Training a sufficient number of qualified teachers for Chinese primary schools. Shortage of qualified teachers for Chinese primary schools and makeshift substitutive instructions have been common phenomena for decades past. For a long time the government has made no sincere effort to solve the problem of shortages of qualified teachers. In the educational process, qualified teachers are an important factor. If there are no plans for the training of well qualified teachers, how can the educational standards in Chinese primary schools be raised. Moreover, when training teachers for Chinese primary schools, the government is doing so not in the Chinese language, but in the national language as medium. Since these teachers will eventually have to use Chinese in instructions at Chinese schools, this situation violates educational principles and must be set right.

Lin Huangsheng also said, the problem of Chinese education is one of the topical issues that the Chinese community is now most concerned with, because in 1990 a new education act will be born, to replace the Education Act of 1961. Furthermore, there is another general election in the offing. Many promises and assurances on questions of Chinese education are either "pending" or "much noise and no substance." As even old problems have not yet been solved, new problems have closely followed. All these are the reasons for much genuine anxiety and much discussion among the Chinese community, and are not, as some people say, reactions of rendering the problems too emotional, too ethnically concerned, or too politically loaded.

Lin Huangsheng believes that under the new education law, the government has indicated it will intensify its administration and control of private schools; what is here the specific situation? There is no way to know that at present, but the chief superintendent of educational boards will certainly launch an assault against independent middle schools and kindergartens.

He also said, the independent middle schools with instructions in Chinese are the fortresses of Chinese education, and Chinese elementary education is the foundation of Chinese education. It is therefore the duty of every single person to defend Chinese elementary education and support independent middle school education. He hoped that everyone will in the future as in

the past continue to support the middle school development fund and will persuade many more people to join the ranks of supporters so as to greatly strengthen the contingent of supporters.

Ghafar Affirms Federal Control of Labuan

90SE0098A Kuala Lumpur UTUSAN MALAYSIA
in Malay 17 Jul 90 p 1

[Text] Kuala Lumpur, 16 Jul—The Central Government believes the residents of Labuan want the island to remain a federal territory, Deputy Prime Minister Ghafar Baba said.

He said the fact that an assembly of citizens at Labuan yesterday rejected a return to the Sabah State Government further substantiated the government's view.

"We believe that the people of Labuan want to remain under federal administration," he said in an interview with reporters this morning after inaugurating a seminar entitled "The Sixth Malaysia Plan: Agricultural Development Policy and Strategy."

Ghafar made the statement when asked to comment on a public assembly held by the Labuan Youth Council. The purpose of the assembly, which was attended by about 1,500 people, was to enable the people to express their desire for the island to remain a federal territory.

The citizens were also warning certain people, especially Sabah political parties, not to keep manipulating Labuan for their own interests in their fishing for votes in the state election, which begins today.

Ghafar, who is also minister of national and rural development, said the Central Government has allocated large amounts of money for infrastructure in Labuan, including a project for supplying the island with clean water from Sabah.

Attracting Investors

He said the project for installation of a 60-mile undersea water main will cost 110 million ringgit.

In addition, the deputy prime minister also said that, because of the inadequate electricity supply in Labuan, the Central Government will implement a program for bringing electric power from Sabah to Labuan.

"More highways will be built, too. This infrastructure is certain to attract capital investment in industry, thus creating jobs for the people," he said.

Ghafar said that finding workers may be a problem in developing the island, particularly in the industrial sector, since Labuan has only 35,000 residents.

Meanwhile, Minister of Youth and Sports Datuk Sri Najib Tun Razak urged everyone to avoid exploiting the Labuan issue, seeing that the people themselves have decided the matter.

He said that Labuan residents from all levels of society have declared their position by firmly rejecting any possibility of Labuan's return to the Sabah Government.

"Yesterday's public assembly in Labuan made it clear that the Labuan issue has been fully resolved and that everyone must accept that fact," he told reporters here today.

Ghafar Baba Urges Civil Servants To Increase Productivity

90SE0099B Kuala Lumpur BERITA HARIAN
in Malay 21 Jul 90 p 4

[By Abdul Hamid Mohammad]

[Text] Baling, 17 Jul—Deputy Prime Minister Ghafar Baba advised all government employees in the country to eliminate the practice of delaying office work and to increase productivity for the sake of competing with the advanced countries.

He declared that greater productivity among government employees is necessary in order to convince investors of the progress made in this country.

"Government employees need to work harder. Don't delay work that can be completed today. Don't leave files scattered here and there, especially if they involve foreign investors," he said.

He said there are government officials who for years have been unable to complete cases because employees are careless and delay their work.

"If you are slow in doing your work and slow in making a decision, people will naturally say we are lying. And our dreams of developing the country will be in vain," he said.

He said, however, that government employees now work efficiently but that their performance must be improved even further in order for us to compete with more advanced countries.

Speaking today at the Tun Abdul Razak Auditorium at a meeting of government employees of the Baling District, he asked how the country can be developed fully if office workers are diligent only in delaying their work.

Using the investment sector as an example, he asked how the government can give prompt approval to investors if government employees involved are slow in doing their work.

"At present, investors have complete confidence in this country, but if the processing of their investments is slow, how can they continue to have confidence?" he asked.

He said that if employees will expedite the process, the government will be able to grant investment approvals ahead of schedule.

According to Ghafar, Malaysia is trying to step up its progress so that the country will compare with other nations, including those in Southeast Asia.

"We need rapid development so that we will not be left behind by others," he said.

He said the country's progress will convince investors, and their investments will help to eliminate unemployment.

The same is true of the nation's security. If security is not guaranteed, investors will be afraid to come in.

"Before investing, they naturally want to know whether or not it is safe here. If there is fighting, they will naturally run to other countries," he said.

He said that security will continue to be maintained in Malaysia if the people will keep giving the National Front a mandate to govern.

UMNO Vice President Says PAS, Spirit of '46 Kowtow to DAP

90SE0098B Kuala Lumpur BERITA HARIAN
in Malay 19 Jul 90 p 2

[Text] Guar Chempedak, 18 Jul—UMNO [United Malays National Organization] Vice President Anwar Ibrahim said PAS [Pan-Malaysian Islamic Party] and Spirit of '46 leaders are cowards for not daring to defend the rights of Malays.

He said that although they reportedly fight to protect Malays, they kept quiet when DAP [Democratic Action Party] extremists challenged Malay rights and interests.

"We in UMNO, not PAS and Spirit of '46 leaders, are the ones who support Malay rights," said Anwar. His statement was received with a roar of applause as he spoke at a public meeting here last night.

Also present at the meeting were Deputy Prime Minister Ghafar Baba, Executive Council member Datuk Paduka Haji Abdullah Ismail, and Jerai member of Parliament Haji Ghazali Ahmad.

Anwar regretted that the leaders of the PAS and Spirit of '46 opposition parties had nothing to say when DAP questioned the government's rural projects.

Because of their desire to have Tengku Razaleigh as prime minister, these leaders were willing give their blessing to Lim Kit Siang to be chief minister of Pulau Pinang.

As a Malay from Pulau Pinang, Anwar said he was very distressed by the statement made by the PAS and Spirit of '46 leaders.

Anwar, who is also minister of education, said he was not blaming members of the party for being too submissive to their leaders but was speaking about principles and truth.

"Should not PAS and Spirit of '46 leaders support what the government has done to provide education to people in the villages and to apply Islamic principles?" he asked.

"What else do they propose the government should do for Malays and religion?" Anwar asked.

He regretted that the opposition leaders continue to criticize the government and slander Prime Minister Datuk Sri Dr. Mahathir Mohamad despite the recognition of the prime minister's capabilities by other countries.

Earlier, speaking at the inauguration of the Bukit Choras UMNO Branch of the Jerai Division, Anwar called the PAS and Spirit of '46 leaders traitors to their race for being willing for the sake of power to scheme with DAP leaders and kowtow to them.

Protect Malays

He said, "We have joined UMNO, not to get roads and electricity, but to make UMNO a vehicle for upholding Islam and defending Malays still suffering in the villages."

He said that through UMNO the government has provided for all the needs of the people, and these things have actually been implemented. The opposition, however, is merely clever at promising to set up this or that.

He asked the people to decide for themselves whether they want to choose the government that has clearly fulfilled its responsibility or an opposition party that is good only at promises.

Those who heard Anwar's speech included PAS members who have joined UMNO and PAS members from Bukit Choras Village.

It should be pointed out that Bukit Choras is one of the PAS strongholds penetrated by UMNO in the Jerai District.

Former PAS Members Establish UMNO Branch

90SE0099A Kuala Lumpur UTUSAN MALAYSIA
in Malay 19 Jul 90 p 3

[Oleh Mahadzir Said]

[Text] Yan, 18 Jul—Sixty members of PAS [Pan-Malaysian Islamic Party] from the Bukit Choras Branch announced their resignation from the party and their simultaneous establishment of an UMNO [United Malays National Organization] branch at Bukit Choras in cooperation with several other UMNO members.

The group's representative, Zulkefli Ahmad, 28, made the announcement here yesterday afternoon in the presence of Minister of Education Haji Anwar Ibrahim at a meeting for the inauguration of the UMNO branch.

Speaking at the inauguration, Haji Anwar Ibrahim said the action taken by these PAS members in leaving the

party and joining UMNO shows that UMNO under the leadership of Datuk Sri Dr. Mahathir Mohamad has the confidence of the people, especially Malays and the Islamic community.

When interviewed after the meeting, the president of the UMNO branch, Haji Baharom Salleh, 70, a veteran member of UMNO here, described Bukit Choras as the toughest PAS stronghold in the Jerai district.

He said that when votes are counted after each election, there are no more than four ballots for the National Front.

He characterized the defections and UMNO's success in penetrating the PAS stronghold as good signs for UMNO as the general elections approach.

Abdullah Awang, a former strong supporter of PAS, has studied the differences between PAS and UMNO for more than 10 years, particularly with respect to upholding the supremacy of Islam.

He acknowledged that PAS has deviated far from its original policy by its willingness to be a bedfellow of DAP, which openly opposes Islam.

"The declarations made by PAS leaders that they have no ties or connections with DAP are absolute lies for the purpose of blinding the eyes of party members, because the leaders are afraid they will lose support and confidence," he asserted.

Abdullah is sure that even more PAS members here will follow his steps. He urged PAS members to leave the party and join UMNO for the sake of religion, race, and country.

Mohd. Isa Abdullah, 60, also a former staunch PAS supporter, said he left PAS and joined UMNO because of his confidence in UMNO and his admiration for UMNO efforts, especially the work of Prime Minister Datuk Sri Dr. Mahathir Mohamad, in promoting religion, race, and country.

Mohd. Isa said also that PAS actions clearly show that the party's leaders are stressing personal politics more than the interests of religion, race, and country.

He said that if they really fight for religion, race, and country and truly emphasize unity, they should merge with UMNO, which clearly has been successful in bringing about a tide of development.

Ku Hambali Ku Ismail, 47, admitted that PAS members regard him and his colleagues as infidels and call them hypocrites and apostates for leaving the party. He said he does not resent being treated that way, however, because only Allah can rule a person to be an infidel or apostate.

Nevertheless, he greatly regretted that PAS leaders have been able to implant such an attitude in party members. He then called on PAS members to come to their senses, leave PAS, and join UMNO.

Labuan To Begin Operation As Financial Center on 1 October

90SE0098C Kuala Lumpur UTUSAN MALAYSIA
in Malay 19 Jul 90 p 6

[Text] Kuala Lumpur, 18 Jul—The government has decided that the Labuan Federal Territory will begin operation on 1 October 1990 as an international offshore financial center (IOFC).

For the territory's operations, the government has identified such activities as foreign banking and insurance, trust and fund management companies, and offshore investment holding companies. There will be other foreign company offshore activities, but they will not include offshore shipping and petroleum operations.

Deputy Minister of Finance Datuk Haji Wan Abu Bakar Haji Wan Mohamed said all these activities will be given tax considerations in addition to flexible and simple laws and regulations.

He announced that, consistent with Labuan's operation as an IOFC, foreign citizens serving with companies there will be given multiple-entry visas, and all business conducted by these companies will be exempt from stamp duties.

Datuk Haji Wan Abu Bakar said this today in a speech inaugurating a seminar entitled "Labuan: International Offshore Financial Center." The seminar is sponsored by the Inland Revenue Officers Association.

He said further that the government believes Labuan has enough of all basic facilities to enable its operation as an IOFC.

Under the Fifth Malaysia Plan, he said, 296 million ringgit were allocated for Labuan's development, and 211 million ringgit of that amount have been used.

Most of the funds were used for providing electricity, running water, hospitals, schools, highways, and telecommunications systems.

"Under the Sixth Malaysia Plan, 201 million ringgit have been allocated for the same purposes and for expansion of the existing airport," he said.

Besides the government's on-going efforts to provide infrastructure, the deputy finance minister said, the private sector, also, is urged to take part in furnishing facilities.

He added that an incentive in the form of a tax exemption of up to 50 percent of income for five years beginning with fiscal 1992 will be provided to professional firms offering support services and performing facilities construction in Labuan.

He also said that the tax rate proposed for foreign activities, namely three percent or 20,000 ringgit per year effective in fiscal 1991, is very low. It is very attractive when compared with what is offered by other IOFC's in the region.

The deputy minister of finance said that, based on the reception given by the private sector, he is confident Labuan will be a successful IOFC in the region.

Datuk Haji Wan Abu Bakar also announced that efforts are under way to open Labuan branch offices of several government agencies.

"Such efforts are now in progress by the Department of Inland Revenue, the Central Bank, and the Registry of Companies, which have been given authority to make decisions without referral to Kuala Lumpur except where policy is involved," he declared.

Article Assesses Trade Aspects of Chatchai's U.S. Trip

90SE0077A Bangkok LAK THAI in Thai
25 Jun 90-1 Jul 90 pp 29, 30

[Excerpts] As a result of the tense political situation stemming from the resignation of General Chawalit Yongchaiyut as deputy prime minister on 11 June, Prime Minister General Chatchai Chunhawan almost had to cancel his planned trip to the United States to discuss various problems. [passage omitted]

Little progress was made in solving the main problems, such as bilateral trade, that directly affect Thailand's interests even though Prime Minister Chatchai and Mr. Subin Pinkhayan, the minister of commerce, issued a statement saying that "headway" had been made on every issue, that the negotiating atmosphere was very friendly, and that there was good mutual understanding.

Looking at the preparations that the Thai delegation made for these negotiations, the interesting thing is that the government "did its homework" on only one issue and placed its hopes on this issue. That is, Thailand wanted to persuade the United States to agree to the establishment of a "trade negotiating mechanism" that can be used to negotiate directly with the United States on various problems and matters that could become problems. This was the only proposal that the American president "accepted in principle." But the details of this must still be worked out to determine the form of this mechanism, when it will be implemented, and what effect it will have. As for other issues, particularly the matter of persuading the United States not to implement Article 301 against Thailand, nothing was resolved. Mr. George Bush and Mrs. Carla Hill, the U.S. Trade Representative, maintained their position. Even so, both Gen. Chatchai and Mr. Subin still have "hope" and are trying to instill hope in the people of Thailand. They feel that because Thailand has acted sincerely and taken steps to protect American interests on various issues, such as the fact that the draft copyright bill will soon be submitted to parliament for approval and the fact that Thailand will consider allowing the Guardian Industry Company of America to build a glass factory in Thailand, which are things that the United States has requested, this will "probably" please the United States and take Thailand off the list of countries against which the United States may implement Article 301. This hope stems from the talks with Mr. Bush, talks that lasted less than 30 minutes, and from the short talks with Mrs. Hill. [passage omitted]

The proposal to allow the Guardian Company to establish a glass factory in Thailand in the hope that this will dissuade the United States from implementing Article 301 has resulted in Thailand "losing face." Because in these negotiations, even before the United States made a "request," the Thai delegation made this "proposal" even though it did not know if this would help Thailand escape the effects of Article 301. [passage omitted]

Immediately after this news was reported, there was a strong reaction on the part of the Thai Asahi Glass Company, which presently enjoys a monopoly on glass production. It issued a report through a representative on the team of advisors to the minister of industry stating that if the reports about this are true, this will lead to conflicts with the Thai Asahi Glass Company and the Bangkok Float Glass Company. These two companies might respond by asking that the conditions stipulated by officials, that is, that they produce goods only for export, be lifted so that they can flood the domestic market and block investments by the Guardian Company, which would immediately cooperate with the Siam Cement Company. [passage omitted]

If the prime minister's trip to the United States was aimed at avoiding a no-confidence debate, which the opposition has threatened to hold, it is not surprising that these negotiations failed to achieve anything concrete. That's because the government did not really expect to achieve anything, and it did not make careful preparations. But if they really expected to achieve results and uphold the reputation of an old diplomat, what they accomplished was not worth the time spent.

Reportage Continues on Southern Unrest

MPs, Locals React

90SE0068A Bangkok SIAM RAT in Thai
9 Jun 90 pp 1, 16

[Excerpts] [passage omitted] In an interview, Mr. Banhan Silapa-acha, the minister of interior, discussed the reason why a group of Shiite leaders had fled to Malaysia. He said that he has ordered officials to coordinate things with the military in order to bring the demonstrators to justice. Officials are now conducting an investigation to determine if these Shiite leaders actually did flee the country. [passage omitted]

In his capacity as chairman of the Special Subcommittee To Study the Southern Border Problems, General Han Linanon, a Thai Nation Party MP from Nakhon Sithammarat Province, and Mr. Komet Khwanmuang, a Moral Force Party MP from Surat Thani Province and a member of this subcommittee, issued a statement about the 4th Army Region keeping order in Pattani. [passage omitted]

When asked if the problems in the south have anything to do with the quality of life of the people there, Mr. Komet said that that is a factor. For example, only 20 percent the Moslems accept the state's education system. As a result, they have little chance of entering the bureaucracy and serving as a link between the Moslems and the government. "I have looked into the living conditions of teachers in the four border provinces. Whenever their lives are in danger, teachers fear the villagers and don't dare talk with them. The villagers remain aloof from the teachers. This is unusual, because normally, teachers and villagers are very close to each

other. I hope that the government will take steps to solve this problem," said Mr. Komet.

Mr. Winai Sam-un, or Instructor Makrawan, the secretary to the Thai Muslim Supreme Patriarch, who traveled to the scene of the unrest, told reporters that if officials have evidence showing that crimes were actually committed, they should arrest the troublemakers and file charges against them. But there must be religious freedom for everyone. In every religion, there are various sects. It is wrong for people to say that the growth of this or that sect must be stopped. In trying to solve the religious problem, the government must be very careful. It must obtain clear data and not take any action based on incorrect data, which could generate apprehension among the Moslem population. [passage omitted]

A news report stated that Mr. Chamnong Khumrak, the governor of Pattani Province, has issued a warrant for the arrest of the 11 leaders in the unrest. These include: 1. Mr. Sorayut Sakunasantisasot, 2. Mr. Phairot Sasanaphiban, 3. Mr. Awae Sidae, and 4. Mr. Duramae. All four of these men are from the south. The other seven come from the Bangkok Metropolitan Area. The activist in this was Mr. Abdulla Bin Usen.

Mr. Sorayut's group has fled to Malaysia and is living in Kelantan State. They are relying on certain members of the PAS Party. Officials of Thailand's Special Branch Police are now coordinating things with Malaysian police officials in order to arrest these people. Special Branch Police officials have already left in order to meet with Malaysian police officials.

On the morning of 8 June, about 30 police officials in Yala Province went and searched two houses in this province. These houses belonged to Mr. Sorayut Sakunasantisasot and Mr. Phairot Sasanaphiban, the two Shiite leaders who fled the country after organizing a demonstration and committing lese majeste. [passage omitted]

Shiite Leader Linked to PULO

90SE0068B Bangkok MATICHON SUT SAPDA
in Thai 17 Jun 90 p 8

[Text] After police officials issued a warrant for the arrest of Mr. Sorayut Sakunasantisot, one of the Shiite leaders behind the Moslem demonstration at the Kru-ze Mosque in Pattani Province and who slandered one of Thailand's important institutions, on 8 June, the police searched his house in Yala Province and found a large number of Shiite religious tracts. They also found three documents listing the names of PULO [Pattani United Liberation Organization] members, their locations, and their activities. Besides this, the names of these members were written in the Yawi language and their political positions were listed, such as president, vice president, minister of interior, and minister of defense. Officials are checking to see if Mr. Sorayut's name is on the list.

As for Mr. Sorayut, it is thought that he has fled to Malaysia. Thai military and police officials are coordinating things with Malaysia in order to arrest him.

Suchinda Declines To Blame Shiites

90SE0068C Bangkok DAILY NEWS in Thai 16 Jun 90
pp 1, 14

[Excerpt] [passage omitted] At 1015 hours on 15 June, General Suchinda Khraprayun, the RTA CINC [Royal Thai Army Commander-in-Chief], and his party traveled by helicopter to the Bo Thong airport in Pattani Province and attended a meeting to learn more about the demonstrations that had taken place at the Kru-ze Mosque in Pattani Province. This meeting was held in the conference room of the forward 4th Army Region at the Inkha Yutthaborihan Camp, Bo Thong Subdistrict, Nong Chik District, Pattani Province.

[Suchinda said:] There shouldn't be any problem in solving the problems stemming from the demonstration at the Kru-ze Mosque, because the Thai Muslim Supreme Patriarch visited the south and said that he does not agree with what was done. Those who violated the law are not true Moslems, because the tenets of Islam do not teach people to foster divisions or harm others. Most Moslems understand the proper way to act. They do not agree with those who break the law. As for those who broke the law at the Kru-ze Mosque, the 4th Military Region (Forward) has been ordered to find out who was actually involved in this so that charges can be filed against them.

The RTA CINC said that Shiites are not to blame for this. The Shiite sect was established in Thailand even before the Sunni sect. The former Supreme Patriarch was a Shiite. You can't blame all Shiites. You have to make a distinction. He said that it isn't known to which sect these criminals belong. It's not true that all Shiites advocate violence. At 1150 hours, he met with southern religious leaders and had lunch with them. He then left for Narathiwat Province. [passage omitted]

Military Intelligence General Profiled

90SE0082A Bangkok BANGKOK POST in English
29 Jun 90 pp 5, 6

[Article by Kanjana Spindler]

[Text] Maj-Gen Thammarak Isarangkul na Ayudhya

They jokingly call themselves "James Bond toke ngarn" (out-of-work James Bonds). Whilst this self-admonition may bring some laughter to outsiders, to those inside the MIU (Military Intelligence Unit), the humour is black comedy.

Regarded as the Army's "intelligence combat" unit, the office isn't obviously strewn with super modern equipment. The suave "007" image is nowhere in sight. Uniformed officers working there go about their job

quietly. No electronic detection devices. The only decoration, a display of guns all over the walls of the main office located in the compound of the Third Infantry Battalion.

The Military Intelligence Unit has been "dull and quiet" for a long time since its inception 20 years ago, one high-ranking officer working there says. The officer, Col Pathompongse Kasornsukr, points out that since the current commander took over the unit nearly three years ago, MIU has undergone a lot of changes.

The person responsible for the "changes" at MIU, bringing a whirlwind of activities along, is one of the Army's top intelligence specialists, Maj-Gen Thammarak Isarangkul na Ayudhya, a former close confidante of former prime ministers Gen Prem Tinsulanonda and Gen Kriangsak Chomanand, and who's now said to be "close" to Gen Chavalit Yongchaiyudh.

He is also supposed to be friend to all. Reporters who know him are fond of him, describing him as being "nice and very personable." To them, Maj-Gen Thammarak is their Phi Ad (big brother Ad, his nickname).

Chain-smoking and speaking in a long-drawling monotone, the commander of MIU admits to having a certain fascination with and affinity toward intelligence-related activities. The slogan, kor moon keu am-naj (intelligence is power), adorning the entrance of the MIU building which he says he coined, vouches for his world-view in this respect.

"Intelligence work is both similar and dissimilar to a journalist's job," he reasoned. "It's the same in that we have to be constantly aware of what's happening and keep informed; but for us, we have to take action in concrete terms as well," added Maj-Gen Thammarak, citing the EGAT strike in July last year as an example of what he meant by "action."

Similar MIU involvement, according to one BANGKOK POST political reporter, was evident in one particular incident during Gen Prem's premiership. Assuming a role like that of a lobbyist Maj-Gen Thammarak was reportedly able to "convince" the MPs not to support a no-confidence debate. An Opposition MP was threatening the then prime minister with an expose of his personal life.

"Intelligence is power," the 52-year-old MIU chief repeated, taking a deep draw on his "555." "In the battlefield whoever has more information is already half-way to winning."

In contrast to the Army's "Directorate of Intelligence" which deals with the "protocol" side of activities, MIU is a technical unit which "supports the Armed Forces in time of war." How to interrogate a PoW, to interpret satellite images, for example. Another sub-unit, "counter intelligence," deals specifically with security issues. Currently the entire unit is comprised of 600 men from the

rank of sergeant up. Command of neighbouring countries' languages, Chinese and English is a necessity and there are a number of officers working here speaking these foreign languages.

'Liaison Officer'

He himself is fluent in Lao and English having worked in Laos for three years and having attended the Staff College in New Jersey after graduating from the Chulachomklao Military Cadet Academy and the Military's Staff College in Bangkok in Communications. His post in Laos as "liaison officer" between prime ministers is recounted enthusiastically and happily.

He was the person who planned the strategic move to get Laos' Prince Suvannaphuma out of the country in early Seventies, the tactics surrounding which he described in detail. And according to Col Pathompongse, his superior was the one who made Pathompongse's father, Lt-Gen Yuthasilp Kasornsukr, who was then deputy-commander of the Army First Division, able to successfully seize the Navy's patrol ship back from Laos.

All these triumphs owe much to his information access, or so Col Pathompongse reasons. Lt-Gen Yuthasilp, in his memoir, wrote: "A staff officer like Ad (Thammarak) is like a magic glass. Any (Army) chief who has him working under him will be able to gain fast and correct information..."

The former C-in-C and acting supreme commander must obviously have placed a high value on Gen Yuthasilp's recommendation when he arranged for Maj-Gen Thammarak's transfer from the South to be in charge of MIU in 1988. Gen Chavalit and Maj-Gen Thammarak were two of the five officers who drafted the famous 66/23 counter-insurgency decree (in 1980) which was aimed at the Communist Party of Thailand. His other policy which he drafted, "Nayobai Tai Romyen" (Peaceful South Policy), is well commended by many military observers.

Like any intelligence agent in the West, Maj-Gen Thammarak had remained in the background and is known to most outsiders only nominally. It was not until August 1989 that the general public heard about him, through newspapers and on television. The occasion was when the Army staged a protest against former adviser to Prime Minister Chatichai, M.R. Sukhumbhand Paribatra, who the Army said "insulted" the Army as an institution. Maj-Gen Thammarak was the prime mover behind the demonstration, labelled by the Press as a "show of force."

The subject of the Army and its thinking in a fast changing society such as Thailand today naturally surfaced during the interview.

The military in Thailand seems to believe that only a military or ex-military person is qualified to hold the defence portfolio and yet in so-called developed Western

democracies this is hardly ever the case. Why does the Thai military think its situation is so different?

"They can do that in the West because their political parties are strong. They're in charge of the policy and they don't use emotion. We've had our lessons. We've lost a general who was executed. If political parties are strong, the minister will automatically act according to the party's decision. Anyone then can be defence minister."

Since the 1973 October Revolution many political analysts characterise the development of democracy and politics in Thailand as a struggle by the military to recoup lost ground and reimpose their control over the country—either directly or indirectly. Other analysts believe that in fact the military is adjusting to a reduced role in national affairs. What is your view?

"There are those who think negatively because they don't like the military. It's a fixed feeling since the country underwent social change in 1932 that the military are bad guys.

"But in later generations, many of us have had a lot of experience. Having fought the communists we learned the true meaning of democracy. The 66/23 policy therefore is a democratic policy—democracy in our view is the right, equality and freedom of the people; not to have an election first then talk about democracy is a political-economic style.

"The military of course wants to move back and make way for democracy. This can be done only when political parties are really strong. There's still what I call *amnaj meud* (dark power) in our society. Because of this we're forced to carry out developments ourselves. The dark powers, like in land and the agricultural sector, hasn't been eradicated and the people are still suffering. This is considered a security matter, that's why we come in.

"Even the law concerning elections must be changed. You can't have a musical band as a means to campaign. That's why candidates have to depend on canvassers. During my father's time with one outdoor movie you could already campaign," he added, referring to his father, a former deputy agriculture minister.

Maj-Gen Thammarak Isarangkul na Ayudhya was born in Roi-Et but was raised in Buri Ram Province, before the family moved to Bangkok. His secondary education was obtained in both Suan Kularb College and Amnuaysilp Boys School. After finishing his high school from Amnuaysilp he attended the Chulachomklao Military Academy and graduated from Class 11.

He recounted with clarity his childhood years. Being an "active" boy, he had a number of accidents such as falling off a buffalo and breaking his arm, falling off a horse and cutting his head, and breaking his nose when playing rugby—all scars which he carries until today, he says.

Correcting the military's image that the people have had since time immemorial, he relates, is a task he has undertaken since he was at the academy. As captain of the rugby team he united the academy's team with those of Thammasat, Chulalongkorn and Kasetsart universities, inviting each team to play at the academy's fields and served them lunch. "At a match between Thammasat and us we split the profits into halves. Field Marshal Thanom who approved the plan said this is only once and for all," he recalled the events through the smoke curtain.

He was candid in his replies, trying to justify them with supporting information when able; and evading topics when he needed to. A question such as whether or not he thinks one more coup d'etat will help anybody considering the people of Thailand have suffered through no less than 16 successful and attempted coups, for instance, elicited only a brief answer: "That's why we didn't want it (coup) to happen. I dare say that no soldiers today think of staging a coup. If the angry, younger officers may have thought about doing it, we would try to convince them not to, so they wouldn't."

But the question regarding the Easarn Kheo Project sparked off a long and committed reply. He agreed that development projects such as Gen Chavalit's Green Easarn project were truly visionary projects, ideally suited to the changing role of the military.

"From our experiences the military could serve as the core planner of any development project. We can lead, plan and direct because we're used to having strategic planning," explained Maj-Gen Thammarak who listed a few other projects and their purposes.

Bearing in mind his close relationship with Gen Chavalit, could he please comment on one last point? Gen Chatichai says he has done everything possible to pave the way for Gen Chavalit to succeed him. Firstly, do you believe the prime minister? Secondly, is this what Gen Chavalit wants?

"I'm not close to only Gen Chavalit. I've served many other generals and were close to them before. It depends who uses me more. I believe the prime minister may have expected it, perhaps he meant well or something. But General Chavalit, I think, may also have had something on his mind, but this is not the occasion now. To try to get rid of the prime minister, I'm sure the idea doesn't cross his mind.

"If there should be a coup that other people would stage on his behalf, I think Gen Chavalit would just walk away. I dare say that the people who dealt with 66/23 policy will not think of making a coup, because we've studied a lot, read a lot. I think I've read Mao Tse-tung writings more than some members of the CPT."

Chatchai Advisor on Central Bank-Finance Ministry Disagreement

*90SE0077B Bangkok MATICHON in Thai
9 May 90 p 4*

[Excerpt] Mr. Chuanchai Atchanan, an advisor to the prime minister on economic matters, said that the government will review the measures implemented by the Bank of Thailand [BoT] to solve the inflation problem, that is, raising the ceiling on loan interest rates another 1.5 percent and monitoring the credit extended by the commercial banks, to see how effective these measures have been.

Mr. Chuanchai said that the measures implemented by the BoT, which wants to reduce consumer spending, are contrary to the policies of the Ministry of Finance, which has raised the salaries of government officials and state enterprise employees, which will indirectly increase demand. It is thought that this policy, which is contrary to that of the BoT, will increase inflation to around 6.0-6.5 percent, which is higher than the BoT has predicted.

The advisor to the prime minister said that although the Ministry of Finance is encouraging people to spend, investments to expand production have dropped because of the high interest rates. As a result, production is not keeping pace with demand. This will push prices higher. Or if prices remain stable, imports will increase in order to satisfy demand. That will increase the trade deficit. The way to solve this problem is to lower loan interest rates in the economic sector in order to encourage investments to expand production.

However, Mr. Chuanchai said that the government must wait and see how successful the BoT is in solving the inflation problem. The results should be known by June. If the measures implemented don't achieve results, the measures will have to be revised. [passage omitted]

Subin Plans Rice Sales at Loss to Government

*90SE0067F Bangkok NAE0 NA in Thai
13 Jun 90 pp 7, 9*

[Excerpt] [passage omitted] Last week, before leaving for the United States, Mr. Subin Pinkhayan, the minister of commerce, said that he had ordered the Department of Foreign Trade to sell 15-percent rice to the Soviet Union at a low price.

In the past, the Department of Foreign Trade recommended setting a price of \$235 a ton FOB and extending credit for two years. But now, a lower price has been recommended.

The Ministry of Commerce wants to export as much rice as possible even if the government does suffer losses, because this will help improve Thailand's rice situation. Besides this, he also ordered rice sold to China and Peru in order to step up rice exports. Prior to this, the

Ministry of Commerce requested that the cabinet authorize the sale of rice to private individuals abroad. But no foreigners have come forward and so efforts have been concentrated on government-to-government orders.

Mr. Woraphong Pichonphongsa, the vice president of the Rice Exporters Association, said that the ministry must do this. As much rice as possible must be exported. Otherwise, the second rice crop will have problems.

Peru needs 15 percent rice, and the Soviet Union needs another 100-200,000 tons of rice.

A report from rice circles stated that several rice brokers, who serve as rice trading agents on world markets, have contacted the Ministry of Commerce in order to ask about rice prices, saying that they want to use the price of Thai rice as a standard in bidding on rice. Others have contacted officials about buying rice, but they have asked for long-term credit. But these people are not really interested in buying Thai rice. The buyers want to sound out our attitude, and some are waiting to buy rice from Vietnam.

A problem now confronting the Ministry of Commerce is that rice stocks have reached 670,000 tons, and the ministry hasn't been able to sell this rice. If the Bank for Agriculture and Agricultural Cooperatives (BAAC) continues to buy paddy from farmers at a price of 3,500 baht per kwian [1,000 kgs] in order to mill this rice, this will create even greater problems for the Ministry of Commerce, which will have to order the Public Warehouse Organization to distribute this rice. This is because the market for this rice will be limited to Africa. Those countries have financial problems. They don't have cash. The rice will probably have to be sold below cost, which means that the government will suffer losses.

"The government's policy of buying high and selling low will result in large losses."

Paper Comments on Chatchai Administration Corruption

90SE0067E Bangkok NAE0 NA in Thai 20 Jun 90 p 5

[Editorial: "What Is Corruption?"]

[Excerpts] It seems that General Chatchai Chunhawan is having problems with the word "corruption." Before returning to Thailand from the United States, he said that the opposition parties like to attack the government on the issue of corruption. But when the Thai Nation Party was in the opposition, it did the same thing. It is, however, difficult to obtain evidence in corruption cases. Because of these attacks, the government sometimes doesn't dare make decisions on large projects, such as the electric tram project and the cross canal project. Besides this, there is still confusion about what constitutes corruption. Is using a government car to go to dinner or living in government housing after retirement corruption? [passage omitted]

Gen. Chatchai has a pure world view and so he speaks as if no one could shake this. But looking at those in his administration and at politicians in both the Thai Nation Party and other political parties, have they done anything worse than the two examples of minor corruption mentioned above?

How could the fifth refinery—Caltex's—have been built so secretly? Why was the television contract with a private company extended so quickly even though the old contract had not yet expired? Why has a decision on the electric tram been postponed? Is it because people are waging an effort on behalf of a certain company and want to curtail the rights of the company to which the team of American engineering advisors gave the highest marks? Why do they want the contract to go to that company? Are they going to receive a commission?

There is also the matter of the Office of the Commission to Counter Corruption (OCCC) pointing out violations. But the ministers concerned have twisted things to the benefit of their friends. And this administration has ignored this. Has Gen. Chatchai, the chairman of OCCC, ignored this, or is he ignorant of what constitutes corruption?

Columnist Urges Appointment of Civilian Defense Minister

90SE0067D Bangkok BAN MUANG in Thai 19 Jun 90 p 5

[Column by Ta Mo Lo]

[Excerpts] [passage omitted] Today, there is much talk on who will be appointed to the position of minister of defense. The matter is rather confusing. But there is general agreement that the minister of defense should come from the military, that is, he should be a soldier. The reason cited is that civilians don't know anything about military matters and so how could a civilian give orders to soldiers? [passage omitted]

But I feel that we should take a look at politically developed countries as examples. Their ministers of defense are civilians. Having a civilian defense minister would be much more beneficial, particularly in developing the military. We do not have a defense minister to serve as the commanding general.

Having a military defense minister is an "invitation" to having a divergence between the government's policy and the policy of the defense minister. There will be trouble just like before.

The administration and the minister of defense should have a unified policy. And there is no need to fear that the defense minister won't know anything about military affairs. Because the person who knows the most about military affairs is the under secretary of defense, who is a senior military officer and who will implement policy. I don't think that it is necessary to have a military man in the position of defense minister.

Seminar Views Negative Impact of Drug Patent Law

90SE0067A Bangkok SIAM RAT in Thai
2 Jun 90 pp 1, 16

[Excerpt] [passage omitted] The Department of Commercial Registration held a seminar on the topic "The Effects of Thailand Protecting Drug, Biotechnology, and Agricultural Equipment Patents. Studies conducted by the Law and Development Research Center, Faculty of Law, Chulalongkorn University, were presented. The morning session was devoted to the effects of protecting drug patents.

The researcher stated that protecting drug patents will affect more than 160 of Thailand's factories, of which 25 percent are small factories, 50 percent are medium-sized factories, and 25 percent are large factories. These factories will be affected even though they import raw materials to produce drugs. The small drug producers will be able to continue producing drugs only a little longer until the patent protection law goes into effect. After it goes into effect, they will no longer be able to continue operating. This is because the competition between the medium-sized and large factories will increase. The medium-sized and large factories will be able to continue operating and wait until the patents on the drugs expire. They will then be able to begin producing these drugs. Or they may engage in joint investment projects with other countries or purchase production rights.

This will also affect drug prices. In 1988, Thais purchased approximately 50 billion baht worth of drugs. If drug patents are protected, the cost of drugs will increase. There are several factors that make it impossible to determine how much prices will rise. During the past 10 years, Thailand has granted some protection for 125 types of drugs. Prior to granting protection, the value of the drugs purchased was approximately 1,161 million baht. After protection was granted, this figure increased to 2,256 million baht, an increase of 94 percent. As for these drug prices, 20-30 percent of the price is accounted for by advertising costs, and 5-15 percent is accounted for by the cost of research and production. Less than 10 percent is accounted for by the cost of the chemicals used in producing the drugs.

As for this patent system, the Research Council feels that data on drugs will be revealed once the patent period has expired. There are still arguments about whether the period will be 20 years as demanded by the United States during the negotiations in Uruguay.

The research data will be submitted to the Subcommittee on Revising the Intellectual Property Law, which is chaired by Mr Phachon Isarasanao Na Ayuthaya, the under secretary of Commerce. The subcommittee will formulate Thailand's negotiating position on intellectual property for the negotiations in Uruguay and revise Thailand's laws in accord with the results of the negotiations in Uruguay.

Besides this, the Department of Commercial Registration has hired the Law and Development Research Center, Faculty of Law, to study the effects of protecting computer software, circuit designs, and trade secrets. The results of these studies will be submitted later.

POLITICAL

Lessons Learned From Events in Eastern Europe

902E0235A Ho Chi Minh City SAIGON GIAI PHONG
in Vietnamese 4 Jul 90 p 2

[Article by Quang Thong]

[Text] The complex changes and terrible situation in the socialist countries in Eastern Europe are a painful reality, a reality that pains true communists.

Responsibility impels every communist to explain the causes of this and clarify what is happening. Many opinions and explanations have been given, and people have pointed out that the main reason is the crisis concerning each country's model of socialist construction. The direct cause is that the reform and renovation methods have been implemented incorrectly. Added to this are the plots and direct destructive actions (there has certainly been no concealment of outsiders manipulating things) of the imperialist powers and reactionaries.

But it must be realized that in this rapid political shift resembling an "earthquake," the thing that must be given attention is that it seems that this has had the support of the masses (both in the form of having political violence and pressuring the rightist forces to wage a struggle in parliament). Foreign specialists working in Vietnam who have read the reports that we have written about their reforms have said that our portrayal of things has been incorrect, meaning that we do not understand the nature of the problems that have arisen. Some people who have returned from abroad and who witnessed various incidents feel that these complex changes stem from pressure exerted by the masses and that in some places things happened as if this were a "festival day" of the masses.

Naturally, following the political storm, the cruel reality is that many people in a number of countries, or the great majority of laborers, who had great expectations, now realize that they were fooled and that they actually demonstrated against themselves and their nation. After pushing aside the communist party and seizing power, the first things that the opposition forces in many countries did was to look for ways to outlaw the communist party, isolate the communist party, seize the assets of the party, and hunt down party members. They have used the slogan of political pluralism to run for election, and this has revealed that this is actually just a trick.

But it would be too easy and wrong to think that all of the people in those countries now realize that they have been tricked. Reality is much more complex than that. The newest changes in a number of fraternal countries show that there are countries and people who realize that they have been fooled. But there are also countries and people who want the political storm to continue.

What is the issue that should be discussed here?

Although some of the people or a few countries realize that opposing the communist party is a mistake, a number of other countries and people are still enthusiastic about "foreign democracy." Thus, the main lesson that must be pointed out is that in the past period, particularly since the 1970s, the communist parties in many countries have lost the support of the people without even being aware of this. The strength of the party is the strength of the masses, but the party has lost the people. The party has lost the confidence of the people. It can be said that this is the fundamental reason and the saddest lesson of all. It's clear for all to see that in the present political crisis, many Soviet people, a people who are a symbol for mankind with respect to revolutionary zeal, who have made great sacrifices to open up the path for mankind, and who have greater love for socialism and who are closer to Lenin than anyone else, have lost their confidence in the party and are skeptical of socialism. There are even people who doubt Lenin. Thus, the fact that the party has lost the confidence of the people is a very serious matter.

It can be seen that in the recent political storm, the people's confidence in the party has declined because life in the socialist countries is still very difficult. Economic and social management is not active, some of the cadres and party members are degraded, and the bureaucratic centralism and state subsidies mechanism is cumbersome. There has been an increase in special privileges, dogmatism, oppression of the masses, theft, and a disregard for the law. The people have pressing needs. They want to change a mechanism, and some want to change the entire system without knowing what this will bring just as long as it is different from today's system.

Clearly, it is the loss of confidence that has brought about this ruinous psychology. Socialism, with its revolutionary and scientific nature, is not the mistake of the century as the enemy has tried to portray it. Even though it has many shortcomings and is facing serious challenges, it is still the irresistible rising tide of historical law and the final answer for progressive men.

But immediately, the price that must be paid is forcing communists to ponder the process of allowing the "stick of power" to slip from their hands, with that referring to the people's confidence in the party. With respect to this painful lesson, this was the largest obstacle of which our teachers, Lenin and President Ho, were always aware. In misfortune there is good luck. But the greatest lessons learned in the proletarian revolution in each country have come from victory. Through this "political earthquake," every nation will have to find the answer for itself.

As for Vietnam, during the past few years, particularly in 1987 and 1988, the situation has been very tense. The people have lost confidence in the party and in the system. True party members are indignant, the laboring masses are complaining, discipline is poor, society is in turmoil, and the lives of the laborers are very difficult. Luckily, it has been our party, rather than someone else,

that has promptly pointed out the shortcomings and resolutely made changes. We have begun to extract ourselves from the mire. With a concept of renovation, with the party as the foundation, the resolution of the Sixth Party Congress recognized the ills of the party and the danger of the people turning their backs on the party. It pointed out the reasons for the slowness and promptly put forth the concept of renovation with the viewpoint "use the people as the source."

We have taken positive action, and renovation has scored achievements and improved the atmosphere.

However, implementing the concept of "using the people as the source" has not been easy. In many cases, things have not gone beyond the stage of slogans and "arrangements" by leadership echelons. This was pointed out very clearly at the Eighth Plenum of the CPV [Communist Party of Vietnam] Central Committee.

Today's urgent problems don't concern just the viewpoints of the party or the guiding ideas of higher echelons. The pressing problems concern the changes in the political mechanism. We must quickly perfect the laws and regulations in order to clearly manifest the law in implementing the ownership rights of the people. We must continue to renovate the mechanism and correctly implement the principle of the "party leads, the state manages, and the people control."

The striking thing that the people expect is that in renovating the mechanism, the party must promptly reorganize things and take serious steps to correct the shortcomings and weaknesses, especially the evils of "special privileges, special protection, abuse of power, and corruption." Those are tumors and thorns that cause pain for the people. Prosecuting cadres who have committed crimes against the people and degraded cadres by "kicking them upstairs" or openly promoting them to a higher position regardless of public opinion and allowing them to continue doing whatever they want are things that the masses will no longer tolerate. They will be like piles of straw that can easily catch fire. (Naturally, a clear distinction must be made between the party's loyal cadres and the opportunists and evil people who are using the platform of the people to attack the good people, tarnish the cadres and reduce the number of votes they receive during elections, and defeat the party's loyal cadres at all echelons in order to make use of the "muddy waters" and implement their own plots.)

The masses believe the party, and in reality, there is a basis for regaining the confidence of the people in the party.

The fact that we have not become caught in the "political storm" is a wonderful thing for the nation. But that certainly doesn't mean that everything is wonderful. The people want the party to renovate leadership, starting with renovating itself. There must be a broad reorganization of the party with the participation of the masses. As an old and experienced cadre, during a meeting with General Secretary Nguyen Van Linh in February 1990, I

said that the masses are very loyal to the party and are committed to following the banner of the party. But they expect the party to correct its shortcomings. This is the only chance that the party will have to regain the confidence of the masses.

In the effort to cure the party, even though this will be painful, the tumors must be removed.

The lessons in Eastern Europe are reminding our party that it must stay alert and be fair and wise with a spirit of "using the people as the source." Revolution is the work of all the people.

Council of Minister's Report on Socioeconomic Situation

902E0254A Hanoi NHAN DAN in Vietnamese
23 Jun 90 pp 1, 4

[Report by Phan Van Khai, director of the State Planning Commission, at Seventh Session of the National Assembly, Eighth Term: "Socioeconomic Situation During First 6 Months of the Year and Key Measures To Implement 1990 Plan"; Note: A shorter version of this report appeared in FBIS-EAS-90-121, FBIS-EAS-90-122, and FBIS-EAS-90-123 published on 22, 25, and 26 Jun 90]

[Text] (Continued; see 22 Jun 1990 issue of NHAN DAN)

A Number of Key Measures Aimed at Promoting Achievement of the 1990 Socioeconomic Plan During Final six Months of the Year

Achievement of the socioeconomic plan during the final six months of the year is of special importance: and must be concentrated on the primary mission of properly handling the problems of stagnancy and regeneration with the purpose of more firmly stabilizing the socioeconomic situation, completing objectives approved by the National Assembly, successfully concluding the 1986-1990 5-year plan, and preparing for the 1991 plan under new conditions.

Below are a number of specific measures:

1. Promptly direct and manage agricultural production, ensuring the summer-fall and coming tenth-month crops to resolve the grain and food problem in an increasingly stronger manner.

The immediate urgency is to achieve measures for fully and promptly providing fertilizer, insecticides and various kinds of agricultural materials. Nitrate fertilizer requirements for the final six months of the year are approximately 1.5 million tons, including the summer-fall crop which is still short 100,000 tons, the tenth-month crop with 600,000 tons, and the 1990-1991 winter-spring crop with nearly 800,000 tons. In conjunction with continuing negotiations with the Soviet Union for the receipt of nitrate fertilizer in accordance with the 1990 agreement, local areas and central government

units exporting rice must set aside foreign exchange for importing sufficient fertilizer and insecticide and make prompt adjustments from locations with surpluses to those with shortages. During the next few days, forces must be concentrated to transfer 70,000 tons of phosphate fertilizer from north to south to provide timely support to the summer-fall and tenth-month crops, especially in the Mekong River Delta.

Related sectors must join local areas in preparing conditions for the 1990-1991 winter-spring crop; and in successfully establishing agricultural material reserves.

—Urgently resolve the problems of investment capital for capital construction and materials for water conservancy requirements, ensuring sufficient irrigation water for rice crops during the final 6 months of the year. Give priority to providing capital for dikes, typhoon and flood control, and the organization of drainage ditch clearance. Have plans for firm coordination between electric power, water conservancy and agricultural sectors to ensure sufficient electricity for flood and waterlogging control.

—Seek ways to promote agricultural exports to dispose of stockpiled products and urgently resolve debts incurred in the purchase of export goods to encourage farmers to strongly develop industrial crops, especially rubber, coffee, tea, coconut, mulberry, cotton, etc.

—Continue to firmly supervise grain regulation and consumption, and grain exports, and prevent prices from fluctuating.

—Urgently study and supplement policies and regulations for assigning land use authority to farmers, promptly resolve the land dispute situation, and encourage farmers to have peace of mind in production and to assist in increasing reciprocal solidarity and cooperation in the rural area.

2. Continue to overcome difficulties to promote industrial development. First of all, concentrate on providing supplies and raw materials for production.

By administrative, economic and organizational methods, prohibit and restrict importation of goods that have been domestically produced in sufficient quantities to meet requirements. First of all, immediately restrict beer, electric fan and bicycle imports; and prohibit cigarette imports, including those for the tourist and hotel business. State agencies from now on may not use public funds to purchase, equip themselves with or use foreign goods that can be domestically produced.

Strive with maximum ability for a market and formula of cooperation and export goods contracts with foreign countries to alleviate upheaval in domestic industrial production, and create conditions to provide employment for the laborers.

—Provide liquid assets to industrial production units for effective operation by increasing rapid capital rotation to reduce stockpiled inventories, and readjust capital

on the basis of rearranging production, paying debts, and rationally reallocating bank credit capital.

—Firmly supervise and urgently study policies for encouraging re-equipping and providing in-depth investment for effectively operating primary level units with hopes for development, and create conditions for these units to raise product quality and lower costs, enabling their products to compete with foreign countries and to penetrate the area 2 market. The resolution course is to: create conditions for a number of primary level units to borrow foreign exchange for importing modern equipment and renovating techniques; and to give priority in reserving investment credit capital for a number of primary level production units to achieve prompt returns.

—Continue to implement production reorganization for consistency with new requirements; primary level units unable to survive must change their production course or form of ownership and capital payment, especially local state operation. In substandard collective small industry and handicraft units unable to overcome their difficulties, members may voluntarily leave the collective to make an individual living.

To provide a source of electric power for the southern provinces, gasoline and oil must be ensured for operation at full capacity of thermoelectric facilities; mobilize unused diesel generators in the north for use in the south; mobilize diesel electric complexes in the central region; and formulate an electric power consumption policy aimed at the priority supply of electricity for production. To meet the electric power requirements of Ho Chi Minh City and the southern provinces, gas turbines must be imported that can be assembled and installed during the final months of 1990 and beginning of 1991.

3. Capital Construction

On the basis of the overall state budget capital quota approved by the National Assembly, efforts must be made to achieve the primary objectives of the 1990 plan:

—Reexamine projects recorded in the plan, omit construction of projects still lacking preliminary drafts and argumentation; immediately cease construction of lounges and offices, including those being constructed with independently acquired capital; and reexamine production and business projects, including key projects, to concentrate on primary production lines without additional volume in excess of planned levels. Depending upon capital capabilities recorded in the plan, do not borrow capital in excess of planned levels, and do not allow debts to be carried over into 1991. Don't use production capital for construction, and don't use capital for the construction of production lines to build work offices. Completed reception buildings, meeting halls and offices not constructed in accordance with the proper objectives will be regulated by the state for use in other more beneficial tasks.

—Priority must be given remaining enterprise depreciation capital for projects in the plan presently under construction, especially key projects, and not projects outside the plan.

—Firmly manage each project being constructed with capital supplied by the state budget. Promptly issue decisions eliminating unreasonable expenditures in project estimates such as bank loan interest, norm interest, progress bonuses, worksite support construction, and construction surcharges, and lower design expenditures. Expand the awarding of contracts in capital construction to save and increase the use effectiveness of capital accumulation, to reduce construction costs, and to increase construction volume during the final 6 months of the year.

—Fully equipped projects must be handled following the principle of fully recording the foreign capital for each project and subtracting that of each project not fully recorded at the beginning of the year from domestic capital so the total level of capital construction investment does not exceed the plan at the beginning of the year.

—Regulate capital between projects to supplement the capital of a number of urgent regeneration objectives. Investment banks must stop loans for the construction of projects still lacking authorized approval.

4. Foreign Economy

It is especially important that the Ministry of Finance, State Bank and Ministry of Commerce join goods owners required to complete account settlement for imported goods to urgently settle debts for the purchase of export goods with primary level unit and individual export goods producers, considering this an urgent means of stimulating export goods production and efforts to exceed planned levels of export goods for 1990. At the same time, sectors, local areas and primary level units with debts to the state budget must also punctually settle their accounts.

—Rearrange and reorganize export and import agencies along a course of focal point concentration and firm management of quota issuance aimed at halting the importation of extravagant or non-essential goods and those causing unfavorable competition for domestic production. Strictly prohibit official agencies without a business function from directly engaging in export and import business.

—Promptly issue regulations on foreign exchange management aimed at firmly managing sources of hard currency for use in proper objectives. First of all, set aside a fund of Vietnamese currency for the purchase of foreign currency from units to produce foreign exchange for the state. Banks are responsible for quickly rotating foreign currency to answer the urgent requirements of socioeconomic activities.

5. Strengthen the management and handling of financial and monetary activities, and goods and materials circulation.

By comprehensive financial, administrative, etc. measures, continue to restrain the rate of price increases and inflation compared with 1990, and firmly maintain the anti-inflation results attained thus far.

Give special attention to forecasts on the commodity supply and demand, market and price situation, especially regarding a number of essential commodities, in order to actively cope with market price stabilization. Further increase commodity funds for sufficient strength to regulate supply and demand, and stabilize the prices of a number of key materials and important agricultural products and industrial goods.

Shortages in the state budget are a burning issue. However, the tendency to increase expenditures and reduce receipts still exists. Therefore, it is necessary to reaffirm the extremely important requirement to maintain the budget deficit at the lowest level, especially promoting an increase in receipts for the state budget precisely in accordance with policy and law, considering this a mission of decisive significance to socioeconomic activities during the final six months of the year. First of all, the Ministry of Finance and people's committees at all levels must collect all backlogged accounts, including foreign receipts; while simultaneously developing full implementation of all kinds of taxes the state has and is about to promulgate to resist corruption, tax evasion, tax excesses and tax shortfalls. Reexamine sources of export-import duty receipts, loans, aid and supplements aimed at protecting domestic goods and properly implementing collection of export-import duties. Organize compensatory settlement aimed at swiftly paying debts from now until the end of the year to promote production and business, increase the source of budget receipts, end misappropriation of mutual capital and create conditions for primary level units to operate effectively.

According to guidance from the Council of Ministers, all echelons and sectors must regularly organize financial account settlement, especially at the primary level, to rearrange financial management and restore procedure and discipline.

Reexamine expenditures of the state budget aimed at concentrating capital sources on the most important objectives to achieve high socioeconomic effectiveness. Maintain a severe attitude toward actions intentionally contravening the state system, and recover improper and irrational expenditures. Do not issue capital construction capital for projects with insufficient procedures for beginning work. It is both necessary to ensure necessary expenditures in career administration and national defense requirements, and to resolutely reduce wasteful expenditures in assemblies, celebrations, group departures and returns, etc.

At the same time, during the final 6 months of the year, it is necessary to concentrate on study to basically

renovate national financial policy consistent with the new situation. Regarding credit, continue to ensure loan capital but manage and limit the level of credit capital and liquid assets, and implement a loan system for production and business units following the principle of ensuring capital recovery precisely on time and with efficient operations. Continue to provide capital for production, especially for enterprises operating correctly and efficiently, and sectors requiring encouragement.

Requirements in cash are presently extremely urgent. Nevertheless, it is still necessary to actively examine and resolve the cash balance situation, estimate developments and formulate methods for promptly coping with the situation; while simultaneously continuing to mobilize part of the idle funds among the people for deposit in banks as a distribution replacement.

Banks must have measures for firmly controlling and forcing production and business units to deposit cash in banks precisely in accordance with state stipulations. Strictly deal with situations of uncirculated cash and capital misappropriation.

Implement newly promulgated banking regulations and promptly issue court decisions to solidify the shift of banking activities to economic accounting practice, and properly implement monetary business functions. Urgently rearrange the activities of specialized business banks and non-state operated credit funds, and continue to implement measures for dealing with the consequences of credit fund bankruptcies.

Within the area of commodity circulation, it is necessary to reevaluate the situation and clearly define the mission of each state-operated commercial goods sector under the conditions of a commodity economy with many components, commodity circulation freedom and production facilities with the right to self-distribute part of the products they produce. On that basis, rearrange and reorganize rational goods sectors, improve the business formula, increase strength to compete in the market, and ensure a supervisory role over goods sectors and basic and essential commodities. Swiftly eliminate a situation of private operators taking advantage of the state-operated commercial network for business to evade taxes.

Properly implement the business registration system for private operators with a system of account books, documentary proof and lawful invoices; and regularly review the lawful payment of taxes of private businessmen, especially of the medium and large type.

Material and commodity circulation sectors must maintain close contact with the production situation and life of each area, period and requirement to regulate purchases and sales in a flexible and positive manner, especially essential materials and commodities, to both promptly meet production and construction requirements during the final six months of the year, and to prepare overlapping forces for 1991. The Ministry of Commerce, Ministry of Finance and State Bank must

have measures for increasing the circulation reserve levels of a number of materials and commodities for storm, flood and natural disaster control and to support seasonable consumption. The primary responsibility of goods sector general corporations is to expand wholesale operations, regulate supply and demand, regulate the market and stabilize prices throughout the country.

6. Resolve a number of urgent problems of life.

At the present time, income and employment are pressing issues. The Ministry of Labor, War Invalids and Social Welfare, and the Ministry of Finance must continue, in conjunction with sectors, local areas and primary level units, to implement measures for providing jobs, especially concentrating on employment for surplus labor in the state area in accordance with plans arranged at the beginning of the year with sufficient funds reserved for this task.

While lacking conditions for improving wages, it is necessary to fully achieve presently available measures providing subsidies and allowances to a number of recipients, especially ensuring the full and punctual payment of wages and allowances to cadres, retirees, teachers, students and the armed forces. An immediate and foremost measure is to concentrate efforts on stabilizing the market and price situation.

At the same time, concentrate efforts on handling newly arising problems such as labor cooperation with a number of other countries, employment for primary level units making contract export goods that are encountering difficulties, etc.

7. Cultural, educational, and social problems.

On the basis of properly summarizing the 1989-1990 school year, the education and training sector must acceptably prepare every aspect for the 1990-1991 school year. Properly organize school enrollments, ensuring quality, openness and democracy. In establishment of new facilities, local areas and schools must organize the repair, upgrading and good management of presently available material and technical facilities, and create favorable conditions for the new school year. Give concern to the living conditions of teachers, pupils and students, make full and punctual salary and allowance payments to teachers and students, and consolidate dormitories. Study and promulgate provisions for opening civilian-operated and private schools for possible development during the 1990-1991 school year. Continue to edit curricula for consistency with new requirements.

Cultural information and athletic sectors must continue to raise the quality of activities with effective programs during the major holidays at the end of this year. Emphasize the technical improvement of broadcast and television stations and the operational formula of book and newspaper publishing sectors so the people in a number of remote regions can listen to the radio and read newspapers. Immediately deal with violations

involving the publishing of books with offensive themes, and make publishing management a procedure.

Organize summarization of experience and conduct continuous mission achievement in order, security and national security protection during the new situation, continuously attack various types of crime and despotism relating to reactionaries, imperialist lackeys and those disrupting order, and restore order, discipline and social safety.

8. To create conditions for highland provinces to complete the 1990 plan, give effective concern to the lives of ethnic minorities with an urgent requirement for properly organizing the supply of grain and essential consumer goods. Promptly develop preliminary plans for protecting and regenerating forests, watershed afforestation, settled farming and settled life, drinking water for upland regions, etc., and create conditions for organizing the production and lives of highland tribesmen. Give priority to central budget allotment following the plan at the beginning of the year. Improve tax collection, especially cross-border export and import duties, and supervise and stimulate budget payments by primary level economic units.

Rearrange capital construction projects, concentrate on projects involving deactivation of bombs and mines to return people to their old villages, provide drinking water to upland regions, conduct settled residency and agriculture, and restore primary communications routes at border crossings.

Sectors at the central government level, within the scope of their responsibility, must continue guidance on compliance with Resolution 72 of the Council of Ministers on economic and social development in the highlands.

9. To achieve the specific measures mentioned above, a decisive factor is to strengthen management and the supervisory and operational role from the central to the sector and echelon level, with special concern for establishing and handling specific balances in supply and demand, money and goods, receipts and expenditures, and control and regulation of prices. Continue to revise and supplement specific policies and regulations consistent with the new management mechanism; first of all solidifying and systemizing laws and regulations promulgated by the National Assembly and Council of Ministers, strengthening auditing, inspection and prompt treatment of impediments and violations, upholding a spirit of discipline to protect socialist property, and ensuring united supervision and handling from the central to the local and primary level and throughout the national economy.

On the basis of clearly defining the state management functions of ministries and people's committees at all levels, continue to rearrange management organization to swiftly raise the operational quality and management effectiveness of the state apparatus, concentrating efforts on the mission of socioeconomic development.

Firmly organize and supervise the struggle against corruption, concentrate on prosecution of misappropriation, bribery, intentional violation of the system, taking advantage of loopholes in the management mechanism to misappropriate state and civil property, oriented toward the key point of agencies and units directly concerned with money and materials; and immediately deal with negative occurrences that have been inspected, accepted for jurisdiction, and strictly prosecuted to the extent of the charges without exception. This is a struggle to improve the health of state agencies, a struggle consistent with the requirements of the people, ensuring a close attachment between the state and the people and between the people and the state. At the same time, it is necessary to urgently reorganize and reexamine economic and administrative management systems to promptly supplement, revise and overcome loopholes.

Above, the Council of Ministers has reported to the National Assembly the completed and still incomplete aspects and the existing and inherent difficulties of the economy as well as newly arising difficulties and primary measures that must be achieved during the final six months of the year aimed at efforts to complete the 1990 missions and objectives passed by the National Assembly.

Continuing to develop the achievements made and maintaining the renovation line of the Sixth Congress, and solidified by resolutions of the Party Central Committee, we will surely successfully achieve the 1990 state plan and prepare for beginning 1991, the first year of the 1991-1995 state plan, leading our nation in a new step forward.

Article Discusses Democracy, Humanism, Socialist Democracy

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in Vietnamese 24 May 90 pp 1, 4

[Article by Tuan Minh: "Democracy and Humanism, for Whom?"]

[Text] There are people who used to be communists and who presently no longer consider socialist democracy superior. For these people it has the same meaning as dictatorship, fascism, and inhumanity. They consequently do not dare talk about proletarian dictatorship and develop in their imagination a kind of humane democracy for everybody.

One thing that is not new is that nobody longs for freedom and democracy as much as the working class and working people do. Being the oppressed and exploited people, they at the same time are deprived of all freedom and ownership rights. That is why they fight to liberate themselves and at the same time to build a society in which there is freedom for everybody.

Unfortunately, there are in society antagonistic classes; when there is freedom for this class, there is no freedom for another class. When there is freedom for masters,

there is no freedom for slaves; when feudal lords have freedom, serfs are deprived of it; freedom for capitalists means loss of freedom for workers. There is no place where there really exists democratic freedom for every person, every class.

Is America the paradise of freedom and democracy? The people who praise it probably want to forget a huge machinery of violence there. Excluding an army 2 million men strong costing nearly 500 billion dollars a year, there are in America a police army of 600,000 men and secret police organizations like CIA, DIA, and FBI having hundreds of thousands of men and budgets amounting to hundreds of billions of dollars that nobody knows about. This machinery certainly is not designed to remain idle or to fight foreign invasion in order to build a humane democracy for everybody. It has only one task, which is to watch closely and oppress those people who refuse to submit to the capitalist rule and to condone with and aid the KKK, various racist groups, fascists, and organizations that are really free to act because they are absolutely necessary for the existence of capitalism.

The ruling machineries in the developed capitalist countries have been praised quite strongly for relying on institutions and the law. It is correct to say so, but no matter how much they rely on institutions and the law, their undemocratic character does not go away and, instead, becomes more meticulous and villainous to such an extent that everything seems free and authorized; however, people are never authorized to even touch these machineries, let alone to overthrow the capitalist rule. Whoever crosses this boundary will find how strong their iron hand is.

Socialist revolution liberates the people and brings the working people to the position of masters of society, masters of the country. But socialist revolution is the struggle between the socialist and capitalist roads. The reactionary exploiting forces in the country, which have not yet completely vanished and are now encouraged and aided by the outside reactionary forces, do not cease to try to regain the ruling position that they have lost. Under these circumstances, it does not make sense for the working class and working people to lay down their arms, and it does not make sense to let opponents be free to resist the revolution.

In socialist countries, although the ruling class has been overthrown, there still exists no homogeneous mass of people, particularly in the early phase of the period of transition. Hidden in the population are remnants of the adversary opposition forces operating in various forms of organization, with different political and social tendencies, and as the most common trait, with the pretension that they always act in the name of the people, actually to oppose the interests of the people and to fight the revolutionary administration.

When the revolutionary struggle still continues, it is impossible to grant blank-check democracy and freedom to everybody. Only people who have but vague ideas and

naive people think otherwise. Never before and nowhere have there been unlimited freedom and democracy. According to common morality, the limit of one's freedom is not to violate someone else's freedom. As for our revolutionary morality, it dictates that there are freedom and democracy only for the revolutionary masses and the people, and not for those who betray the fatherland and go against the people's interests. We hope that one day there would be freedom and democracy for everybody. That is when there will be no more class antagonism in our country and in the world, when communism has been established, but this day will take a long time to come. For the time being, the democracy that exists is only relative; nevertheless, it still is superior because it is the freedom and democracy of a majority of the people, instead of a minority of exploiters and rulers. The socialist state machinery and its power-holding organizations are established to maintain these relative freedom and democracy in order to move one day to a perfect democracy when there will no longer be any opposition forces and homogeneity will exist in the population. When the enemy still refuses to abandon his hostile and destructive plots and tricks, to call for abandonment of the proletarian dictatorship and dissolution of the security police forces and the army is an immoral deed. What did recently happen in a number of socialist countries when that kind of democracy for everybody was born? Robberies and murders in the streets after tens of thousands of prisoners had been released as a matter of convenience. Reactionary parties and fascist and liberal organizations sprang up like mushrooms with programs of action calling for abolition of socialism. True communists were tracked down and their properties seized and stolen. Acts of revenge against members of security police forces took place just because they had been devoted to their jobs, thus making a humane democracy pay so dear a price! Those people who had been loudly appealing for abandonment of violence used violence themselves or condoned the use of violence against innocent people. The Christian Bible has this to say: "If somebody slaps you on the cheek, have mercy for him by showing him your other cheek for him to slap." We revolutionaries do not accept this kind of humanism. We do not provoke hitting for no reason at all and never want to slap anybody; however, if somebody slaps us in the face, we must answer with a punch.

But, as Lenin said, proletarian dictatorship is not primarily violent. Violence is something that is used only reluctantly, the act of self-defense, and the defense of the achievements of the revolution. The principal work and the ultimate goal are democracy and freedom. Unfortunately, there were times when revolutionaries failed to fully grasp that thought of Lenin's. The true state of the class struggle was exaggerated; the idea of using violence was excessively praised; in addition, autocratic and arbitrary acts were committed by individuals in the name of proletarian dictatorship. They turned us into opponents and friends into adversaries, and handled internal contradictions among the people as they would the contradictions between the enemy and us. They

seriously violated the fine and humane nature of socialism, caused discontent among the people, and even aroused their anger. To further improve socialist democracy, to build a state of law, to absolutely respect the rights of citizens, to closely link interests with obligation and responsibilities in the mind of the people, to wipe out bureaucracy and autocratic and arbitrary behavior, to ensure that nobody has unlimited powers, to make everybody understand that nobody can violate the law in the name of law—those are important deeds in the political renovation process.

As we seriously think about it, we should realize that the strength of the revolutionary administration and the socialist system lies in the solidarity of all people. To truly consider the people the roots of everything and to truly respect the people's ownership right in all party and state policies, in all the words and deeds of cadres, party members, and state officials—that is the way to build the unconquerable strength of socialist democracy.

Some Thoughts on Role of Press Regarding Renovation Work

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[Article by Nguyen Tri Dung]

[Text] Renovation in our country got underway after the Sixth Party Congress. The serious crisis in the socialist countries in the past period provides additional proof of the clear vision of our party. This clear vision has been manifested in the resolutions of the seventh and eighth plenums of the CPV [Communist Party of Vietnam] Central Committee. In these, the key idea is that for renovation, transformation, and reform to hit the targets, it is essential that we uphold the basic principles of Marxism-Leninism, have strong political capabilities, and choose the right steps. Politics, following the concept of Lenin, is a centralized manifestation of economics. Economic stability creates the conditions for political stability. In turn, political stability is a precondition for stability in other spheres, including economic, ideological, psychological, and social stability and stability concerning living conditions. Unfortunately, amidst the great unrest in political life in a number of socialist countries, a number of elements of the press are participating either consciously or unconsciously. From what has happened, I think that in order to maintain the stability of renovation in our country, we must elevate the role of the means of mass information.

The new political thinking and the new political guidelines of the Sixth Party Congress have initiated growth, and they are the motive force for renovating press thinking and press activities. Democratizing information and providing a greater variety of information based on correct targets and principles has contributed to creating a happy atmosphere in society and helped foster greater openness and mutual understanding between our country and the outside world. In recent years, press

activities here have made worthy contributions to the renovation of the country. As the organs of speech of party, state, and social organizations, as the forum of the people, and as the means of reflecting the needs of real life, the newspapers and magazines have made notable contributions to clarifying the major turns of the party and people in the present complex stage. The tasks of the press are to provide information, spread knowledge, increase understanding, educate people, make criticism, investigate and discover things, make predictions, expose things, build and explain things, and publicize things. In this, the key task is to provide information to guide the struggle for renovation. Our press is carrying out these tasks in an active and creative manner. The social effect of our press is constantly increasing.

However, in press activities in recent years, mistakes have been made, and there have even been deviations here and there. The difficulties of renovation in our country and the crises in a number of socialist countries are creating many new problems and spawning various complex ideological tendencies and currents. Along with conservative thinking, which is holding back renovation, new manifestations have appeared, such as opportunism, pragmatism, commercialism, and extreme democracy. There is also demagoguery and vacillation, even vacillation at the root and vacillation concerning theory and the path. Our press has not yet given attention to explaining these things in a satisfactory way. A number of newspapers that have printed articles on the international situation have shown a lack of ideological unity based on the viewpoints of the party. A number of newspaper articles have reflected the situation in the capitalist countries by introducing a number of superficial social phenomena, praising and criticizing things, and raising questions. This has created a false picture and has not contributed to helping readers to understand the nature of modern capitalism. A number of newspapers have not given sufficient attention to denouncing the imperialist plots and tricks or to warning the public about the consequences of holding pluralistic and multi-party views and reforming politics in a hurried and extremist manner and about the effects that a policy of opening the door in an unprincipled way and liberalizing the economy based on capitalist guidelines will have on political and ideological security and national quality. In shifting from the passivity and waiting mode of the renovation period, a number of newspaper articles have made mistakes in implementing the party's positions and policies, such as those on opposing negative phenomena, fighting corruption, and opposing special privileges and rights. Because of the rancorous tone of a number of articles concerning these subjects, readers can't help but wonder about the motives of a number of writers when they criticize things. Naturally, it is the responsibility of the press to criticize things, make proposals, and argue issues. But objective reality in recent years has shown that criticism can manifest an effect only if an objective and scientific attitude is maintained. In other cases, a number of newspapers have acted contrary to the lines and targets stipulated. They have

become commercialized, or they have pandered to the base tastes of some readers, printing stories about crime, sexual passion, and other negative social phenomena. This has not benefited political or ideological education and has indirectly contributed to muddying social ethics.

Starting from a recognition of this, in order to improve the social role and responsibility of the press with respect to stabilizing renovation work, we would like to propose the following:

1. The objective essential nature of the leadership of the party and the management of the state with respect to press activities must continue to be affirmed. There may be different opinions about this, but in our country, it must be affirmed that there is an objective need for party leadership and state management with respect to the press. This must be recognized as an objective necessity of the renovation movement. We recognize the existence of different opinions. We advocate democratization and openness. But on the other hand, the variety of interests and mutual effect of opposing aspects created by the new mechanisms must be unified with respect to the common interests of social progress and socialism. This unity requires that party leadership and state control with respect to the press be strengthened. Furthermore, as a result of renovation, which entails expanding democracy and openness, having a multi-faceted economy and many different interests, and developing the political and social activeness of the masses, the party and state organizations must stipulate guidelines and solve the problems. As a result of this, the problem of the party leading and the state managing the press is even more critical. Marxist views on democracy and real press freedom must be aimed at revolutionary targets, and they must protect socialism and increase the strength of the new system. The press will be able to hit those targets only if it has a concept of awareness and voluntarily adheres to party leadership and state management. At the same time, the party organizations must improve the methods used to lead the press.

2. In order to ensure that party leadership and state management of press activities moves in the right direction, socialist laws regarding press activities must be strengthened constantly. The party must lead the press by setting political guidelines and stipulating cadre policies. The state must manage the press by implementing laws, measures, and policies and by regularly making inspections. The basis for inspecting and controlling things is the lines and viewpoints of the party and the statutes and policies, the structural elements of a body of national policies on press activities. The motto of everybody being equal before the law must apply to all people, all circles, every sector, and every social organization, including press organizations. The concept of democracy and press freedom has a dialectical relationship to the concept of socialist law in press activities. To speak about democracy is to speak about the law. There cannot be real democracy without strict laws and vice versa. This must include all spheres of press activities.

3. The growth in the number of press organizations and the variety of information presented by the press are objective tendencies of the renovation movement. But along with this, the role and responsibility of the organizations that manage the press must be strengthened. The organizations that manage the press must be responsible before the law and to society in an all-round way with respect to their press organizations. This includes everything from goals and targets to the contents and social effects of press products.

4. The press is the sharp ideological and cultural weapon of renovation. Thus, on one hand, the concept of socialist democracy must be clearly defined in press activities: democracy for whom and a reflection of whose voice? A clear distinction must be made between people with real renovation thinking and actions and opportunists and demagogues. On the other hand, the plots and tricks of the enemy must constantly be exposed, and an effort must be made to stay on the offensive on the political and ideological fronts. The traditions of Vietnam's revolutionary press during the past 60 years must be exploited. Reality shows that the enemy wants to topple and destroy the socialist system and that one of its dangerous blows is to use the means of mass information like a spearhead in order to destroy the confidence of the people. Because of this, the revolutionary press must not become confused or let down its guard for even a moment.

Empirical thinking along with all the germs that that contains, including sluggishness and conservatism, which Engels described as monstrous forms of "superficial materialism, must be abandoned. At the same time, the press must clearly define its role as the organ of speech of the party, state organizations, and social organizations and as the forum of the people. Stated differently, by adhering closely to real life, shining new light on reality, and enabling people to understand reality, based on a new scientific standard pointed out by the party, the press will make notable contributions to solidifying and stabilizing the renovation movement. That is also a real need of the masses with respect to today's press activities.

Grave Robbers Sentenced in fraudulent Remains Claims Case

WA2008032090

[Editorial Report] On 3 July the SAIGON GIAI PHONG daily from Ho Chi Minh City reported that the Municipal People's Court handed down suspended sentences in the case of two professional grave robbers. Nguyen Bach Nhan, a Nha Be town resident, received a three-year sentence and Nguyen Van Sang, a Can Giuoc resident in Long An Province, a two-year sentence for stealing human remains and storing them for resale.

Nhan and Sang have been looking for remains of U.S. soldiers killed during the Vietnam war, hoping to turn them over to international humanitarian organisations in exchange for resettlement in the U.S. From 1985 to

1988 they dug up a total of 410 graves and stockpiled the bones at their homes. Nhan also purchased remains from other persons for 10,000 to 50,000 dong per set. Investigators found 446 sets of remains at Nhan's house.

MILITARY

Militia, Self-Defense Forces in MR7 Help To Defend Borders

902E0242B Hanoi *QUAN DOI NHAN DAN*
in Vietnamese 25 Jun 90 p 1

[Article by Bui Van Bong: "Military Region 7: Militia and Self-Defense Forces Join Border Troops in Maintaining Security in Border Areas"]

[Text] Maintaining vigilance in the face of enemy destructive plots and strengthening the efforts to maintain political security and social order and safety, the Military Region 7 staff has issued directives to ask localities to build and consolidate militia and self-defense units in the border districts and villages of Tay Ninh, Song Be, and Long An Provinces, and to raise their quality and efficiency. Since the beginning of this year, the border districts have organized six training courses for 670 groups of cadres from basic-level militia and self-defense commands, who were taught professional skills in connection with security, building of people's military intelligence base, detachment technique and tactics in pursue-and-attack combat, patrolling, and sentry duties. Tan Bien District (in Tay Ninh Province) consolidated 15 mobile militia detachments, coordinated its work with border defense posts T27 and M9 to train their men in fighting enemy troops infiltrating through the border, and joined them in patrolling and controlling port-of-entry areas and border-crossing roads. Members of the militia forces of Ben Cau, Trang Bang, Go Dau, and Tan Chau Districts maintained regular and random border patrolling, discovered 86 cases of violations of border regulations, and along with border troops and local public security forces discovered 148 cases of illegal trade activities and forgeries of residence papers in border areas.

Song Be Province established economic-national defense militia units in the key villages near the border. Phuoc Long and Loc Ninh Districts combined training in coordinated combat between mobile militia units and border troops, and through such training controlled the performance of militia units in connection with the detachment technique and tactics. Long An Province drafted improved plans for border area defense and, along with border troops, held 15 coordinated training sessions.

Best Engineer Unit in 1989 Obtains Good Training Results

902E0243B Hanoi *QUAN DOI NHAN DAN*
in Vietnamese 25 Jun 90 p 2

[Article by Duy Thuy: "Thang Tam (August) Engineer Group Trains New Soldiers—Positive Plans, Devoted Cadres, Care for Living Conditions, Good Results"]

[Text] I visited the Thang Tam Engineer Group when it was about to end its 1990 training session for new soldiers.

Group Commander Lieutenant Colonel Pham Ngoc Xuoc told me that the trainees in this session were all native people of Ha Nam Ninh Province. They had been carefully selected on the basis of their background and health, with the majority of them being HCMYU members and a few children of cadres. However, almost all of them had not studied beyond grade seven, nor had they joined the militia and self-defense forces; their general knowledge and military knowledge in particular, consequently, were still limited.

"In that situation, how did you organize your training?"

Lieutenant Colonel Pham Ngoc Xuoc wanted me to see things for myself and thus took me along to check the conditions of training in the units.

Guided by Lieutenant Colonel Hoang Khanh Hung, the Thang Tam Engineer Group's deputy commander in charge of political affairs, I went to the training grounds. In spite of the hot summer sun, the units in charge of training new soldiers closely stuck to their training plans. The sounds of verbal orders, weapons being used, and steps echoed throughout the hilly area.

As I had a truthful talk with Lieutenant Colonel Hoang Khanh Hung and a number of the group's cadres, I learned the following: The Thang Tam Engineer Group was the unit that was selected as the best training and combat-ready unit to receive the Engineer Command's 1989 Banner. With a strong determination to strive to further heighten its fighting power and to keep the banner, the group recognized the fact that in addition to making the training of old soldiers a routine and high-quality job, it should properly finish the training session designed for new soldiers and consider it an important factor contributing to preserving the unit's traditions for a long time to come.

In order to turn its determination into reality, the group drew up positive training plans down to weekly periods for battalions, and to days and hours for companies and platoons. Training plans were written on large sheets of paper and were posted in all platoons for soldiers to conveniently follow and carry out.

In addition to drawing up training plans, the group provided its cadres with advanced training based on their ranks in the contents and methods of training before they would actually do the training of soldiers.

The new aspect in the group's new training season this year was its determination to strictly maintain the training procedures in platoon formation. It fully used its hard-core cadres and assigned each platoon two leaders, one of whom would be responsible for the management and execution of the common training task and the other for serving as demonstrator in actual training and checking the performance of trainees. This not only helped to actually improve the quality of training but also created favorable conditions for cadres to refresh their memory regarding the training and management of soldiers, after they had served as hard-core cadres for a while.

In the training process, the Thang Tam Engineer Group had fully prepared itself in terms of having enough lessons, teaching tools, weapons, and mostly technical and tactical training grounds for the new soldiers to use. It carried on training by rotating and alternating regulations, subjects, physical education, and sports to allow the new soldiers to change their thinking and forms of movement, and thus to avoid fatigue and to acquire knowledge at a fast pace.

Also in the training process, everybody from Group Commander Pham Ngoc Xuoc, Deputy Commander Hoang Khanh Hung in charge of political affairs, and Deputy Chiefs of Staff My Duy Phu and Tran Chung Khanh to battalion, company, and platoon cadres spent time on the training grounds, closely watched soldiers during their training everyday, made timely observations and gave good scores and praises to the detachments and individuals who had excelled at training, and sternly criticized the detachments and individuals who had performed poorly during training.

Along with military training, the Thang Tam Engineer Group also provided the new soldiers with political education and the teaching of the branch of service's traditions. Through the teaching sessions, it urged them to uphold their political responsibilities, to strive to live up to the name of Uncle Ho's troops, to properly fulfill their task, and to strictly adhere to discipline.

Having left the training grounds of the Thang Tam Engineer Group, I went into the new soldiers' living quarters. They lived in well-ventilated and cool brick buildings and each had a regular bed or trestle-bed of his own. Inside the buildings there were stands and racks where rucksacks, bowls, and chopsticks were neatly arranged. The new soldiers had been given a new kind of wooden chopsticks and each a pair of plastic clips to hold their towels. Each platoon had a guitar. All platoons and squads had been supplied with enough buckets, large bowls, and metal containers for their members to use to get water. Noteworthy was the fact that while cash was scarce and prices were rising, the Thang Tam Engineer Group still strived to ensure having three dishes per meal for the soldiers. It also opened snack bars to sell the new soldiers essential items, organized reading of newspapers, scheduled television watching three times a week, and showed movies.

Finally, a review of training performance in the Thang Tam Engineer Group showed that 100 percent of the new soldiers fulfilled all training requirements and 80 percent of them scored good and outstanding performances. All new soldiers expressed the determination to be ready to start a journey for any new assignment they might be given.

Difficulties in Feeding, Paying Troops

902E0241A Hanoi QUAN DOI NHAN DAN
in Vietnamese 11 Jun 90 pp 1, 4

[Article by Major General Dang Huyen Phuong]

[Text] In issue No. 10329 of QUAN DOI NHAN DAN, there was an article entitled "Quick Action Must Be Taken To Resolve the Difficulties With Respect to Living Conditions and To Renovate the Procedures and Policies Concerning Troops."

We welcome the fact that that article reflected the present situation concerning the lives of the troops, a situation that must be dealt with as quickly as possible. In particular, during a visit to a number of units, the minister of labor and war invalids and social welfare acknowledged this and made specific motions to deal with this situation.

During the past period, even though military units have made a great effort to overcome the difficulties through productive labor and construction and even though they have striven to keep the standard of living from declining and to gradually stabilize and improve living conditions, because many units have been reorganized and redeployed (being sent home from Cambodia and being moved from the front to the rear), living conditions are a major problem. Immediately after being deployed to new positions, even though the units have immediately begun producing materials, constructing barracks, parking areas, and gun emplacements, clearing land to plant vegetables, and building pens for animals, to date, they have still not been able to stabilize living conditions, because there is too much to do and this is beyond their strength. Capital construction expenditures are limited, and we must concentrate on purchasing iron and steel, cement, and roofing materials for combat projects, storehouses, garages, and gun emplacements. Thus, most of the units have to use temporary quarters and buildings remaining from the period of the Americans and their puppets. The sun is hot, the roofs leak during storms, and buildings collapse in strong winds. People have to resist the hardships in order to survive. There are also difficulties with many other living conditions (food, clothing, medicines, oil, lamps, electricity, and water) that must be overcome as quickly as possible. Concerned about the difficulties stemming from the country's economic situation and the limited national defense budget, the army has raised the concept of self-sufficiency, overcoming every difficulty, and bearing the hardships and shortages in order to complete the tasks given by the party and state. However, there are

many difficulties that can be overcome. If the state organizations concerned see the real situation facing the army (perhaps more people will have to make trips to see reality for themselves just like the minister of labor and war invalids and social welfare) and if they have a real sense of responsibility, a correct viewpoint concerning national defense and security tasks, and the task of building armed forces and defending the fatherland as many of the party's and state's directives and resolutions have directed, the army's minimum requirements can be fulfilled in order to prevent the army from experiencing even greater difficulties.

The phrase "guard the entire country and oceans" arose during the 1980s. We have now entered the 1990s, but the difficulties have still not been overcome. The specific causes of this situation have not been looked for in order to formulate correct policies and measures to solve the problems effectively. The price of food and other goods essential to the lives of the troops have tripled or quadrupled as compared with the raises received by the cadres and soldiers. But we have been slow to revise the stipulations, measures, and standards concerned, and this has prolonged the irrational situation with respect to ensuring a good standard of living for the troops. Comparing prices in January 1990 to prices in the 1980s, the prices for such items as rice, pork, salt, vegetables, and coal have increased approximately 1,200 to 1,500 times (depending on the region). During that same period, using a uniform method for calculating incomes for all ranks (from second lieutenant to senior general), incomes have risen an average of 450 times. Clearly, the standard of living has declined approximately 30-40 percent as compared with before (450/1,200-1,500).

In the past, a second lieutenant earned 77.35 dong and needed only 21 dong, or about 27 percent of his total salary, for himself. The other 73 percent could be used to support another two or three people. But now, although his income has risen to 38,966 dong, he needs 22,754 dong, or 58.4 percent, to live on. That leaves only 41.6 percent, which is not enough to support another person. Only if the person is very frugal will he have enough money for sundry expenses.

The relative salaries paid privates have declined, too. In the past, a private was paid five dong per month, out of which he spent 3.58 dong for 14 types of necessities. That left him 1.42 dong for sundry expenses. Now, to purchase those 14 types of necessities, he must spend 4,815 dong (an increase of 1,345 times), and he must have an additional 1,910 dong to correspond to the previous 1.42 dong (1.42 dong X 1,345). Thus, a private must earn a minimum salary of 6,725 dong a month (4,815 + 1,910 dong) to maintain the same standard of living as before. But today, privates are paid only 3,200 dong a month, which is only 47 percent of their previous buying power. As a result, soldiers lack sufficient funds and have to ask their families for money to live on (at a time when their families in the rear are suffering shortages). If they can't obtain money from their families,

soldiers turn to selling military equipment and borrowing money from each other, and many other negative phenomena arise. This is also one reason why youths don't want to join the military. Also, in a number of units with new recruits, because living conditions are difficult, the desertion rate has increased. In the face of this pressing situation, on 12 May 1990 the Council of Ministers issued Resolution No. 157 on raising the salaries of privates and non-commissioned officers effective 1 April 1990. The salary of a private has been raised from 3,200 dong a month to 6,000 dong a month. However, even with this new raise effective April 1990, this is still insufficient to pay for the various types of necessities, the cost of which has now risen from 6,725 dong to 7,500 dong. Thus, even though salaries have been increased, they are still equal to only 80 percent of the five dong earned by privates in the past (6,000/7,500 dong).

Today, the health and physical condition of the troops is declining. As of January 1990, with the daily salary earned by non-commissioned officers and privates being only 760 dong per day, they can purchase only rice, vegetables, fuel, fish sauce, and salt. Only if they save for several days can they afford to purchase some meat and fish, and that must be the cheapest types (as the minister of labor and war invalids and social welfare observed). The meals of the soldiers are quite meager at a time when military training and labor are quite arduous. Thus, many soldiers lack proper nutrition. They suffer from muscular atrophy, and their eyesight has declined.

In line with the capabilities of the 1990 state budget and prices in each region, the Ministry of National Defense has announced that it has revised wages for on-base troops. Effective 1 June 1990, non-commissioned officers and privates stationed with rear-echelon units in Region 1 (from the provinces in Military Region 5 on north) with the highest standard of living will have their salaries raised to 966 dong. But this will provide for only about 90 percent of the stipulated needs for each target.

National defense expenditures are low, and they cannot satisfy the needs adequately or promptly, with moneys paid in small amounts (sometimes four or five times a month). The reason for this is that "revenues do not match expenses." I don't think that the national defense and security budget can be passively dependent on sources of income, meaning that moneys can be allotted only when there are revenues or that the amount allotted, if any, depends on the size of the revenues.

Thus, I suggest guaranteeing the national defense budget based on a special mechanism. The national defense budget must not be dependent on revenues. At a time when the economy is experiencing difficulties and the national budget is limited, we can't expect the national defense budget to increase or consume a larger share. The problem is to formulate the needs of the troops based on achieving balance and social fairness. Here, I will mention just a number of the arguments of macrocosmic management organizations that are responsible

for conducting studies and making proposals to the Council of Ministers on issues related to the state's task of guaranteeing things, with the aim being to correctly implement the viewpoints, procedures, and policies of the party and state with respect to the lives of the soldiers and the quality of army building. Today, the amount of money spent on each patient in a military hospital is only about half of that spent on a patient in an equivalent civilian hospital (as determined by the Ministry of Labor, War Invalids, and Social Welfare).

Actually, besides the money received from the state budget, the civilian hospitals also receive international humanitarian aid. Also, they have sources of foreign currency because of the trips to Asia and Africa by foreign public health specialists. And they earn revenues from their patients. But the military hospitals have only one source of income and that is the money that the state budget has earmarked for national defense. Thus, when setting the national defense budget, the state should consider this fact. The Ministry of Public Health, with its state management function concerning this aspect, should give attention to this and provide help to the military hospitals. Steps must be taken to ensure that the amount of money spent on medicines and on caring for each patient in the military is equivalent to that spent on patients at equivalent-level civilian hospitals.

In equipping and supporting the military cadres and soldiers, with today's sources of funds, it is very difficult to provide good quality cloth that is durable. It is difficult to get 2-3 years of use out of helmets that cost only 3,200 dong. A pair of high-top tennis shoes costing 3,900 dong rarely lasts more than six months during labor and training. A military uniform costs 10,000 dong, and so soldiers have to purchase cheap cloth in order to have uniforms made.

To fulfill the requirements of building a well-equipped army with a brave combat spirit, stabilizing living conditions, and ensuring that the men are in good health so that they can fulfill the combat tasks and be ready for combat and engage regularly in training exercises and productive labor, the state and the organizations and sectors concerned must fulfill their duties adequately, correctly, and promptly with respect to national defense and the security of the fatherland.

Navy Suggests Measures To Deal With Disciplinary Problems

902E0243A Hanoi QUAN DOI NHAN DAN
in Vietnamese 14 Jun 90 p 1

[Article by To Hai Nam: "Navy: Seven Measures To Overcome Lack of Discipline in the Branch of Service"]

[Text] Disciplinary violations in the Navy in the early months of 1990 showed a decrease compared to the last months of 1989, but some units still allowed serious cases to take place, such as losses of weapons, fatal accidents, explosions in arsenals, losses of materials and equipment, and so on, causing damages costing millions

of dong and adversely affecting the fighting power of the masses. The main reason for this problem was that the responsibilities of cadres at all levels, mostly at the basic level, for leadership and management were not carried out properly; their financial and economic management showed neglect, immaturity, and weakness; and the fact that investigation, confirmation, and trial of cases and incidents were not timely enough was the main reason behind the continued existence of disciplinary problems, as well as the tendency for the more serious ones to increase.

In order to put an end to that situation the branch of service has organized many groups of cadres who are to check the work of all units in the first six months of this year, with some of them closely looking into the execution of discipline in the units. At the same time, it has recommended seven measures that the units should be taking: On the basis of different units' disciplinary conditions, to draft specific resolutions on leadership having to do with discipline, to organize learning from experience, and to discuss effective ways to carry out the measures. On a regular basis to get to know very well any changes in the thinking of and social relationships among cadres and soldiers, and to develop the effectiveness of party organizations and the example-setting role of cadres and party members in the observation of discipline. To strongly maintain the procedures and regulations of the day and of the week, and to strictly enforce the order of the commander of the branch forbidding the consumption of alcoholic liquors. To immediately consolidate and improve storages, and to review the qualifications and character of storage keepers and cadres at all levels in charge of economic and financial management. To employ additional cadres and to adopt measures to supervise soldiers in connection with ships under repair in navy yards. To pay attention to the spiritual and material living conditions of soldiers, to strengthen various forms of democratic and open activities, and to properly carry out the procedures, policies, and standards that have been adopted. To deal in time and fairly with violators of discipline and to mobilize and properly reward those who have fought negative activities in their unit. These measures are aimed at allowing the branch of service, in the last 6 months of this year, to put an end to the serious cases and incidents and to limit to a minimum the more common disciplinary problems.

Infantry Group Resolves Friction, Quarrels With Local People

902E0242A Hanoi QUAN DOI NHAN DAN
in Vietnamese 10 Jun 90 p 2

[Article by Hong Thu Ngoc: "Three Cases of 'Friction' With the People Have Been Resolved by Group S7"]

[Text] Infantry Group S7 has had 40 years of combat and building traditions. In the past, during the war it had received assistance and protection from the people. In training and building army-people solidarity, an increase

of strength through their support had allowed it to properly fulfill the assigned tasks. During the nearly 10 years it had been stationed in Province H, in spite of some snags in relations with local administrations and people, its cadres and soldiers had gained the confidence and affection of the people. But when Group S7 was moved to and stationed in different localities of Province P, it encountered from the very beginning many snags causing a loss of the people's confidence, which only later did its leadership and command succeed in restoring.

Within the same short period of time in all three units there were cases and incidents which seemed simple at first, but the fact that they were not resolved in a clever and appropriate manner made the people file suits with the superior organs. Cadres and soldiers of Group S7 called 3 incidents that had taken place in the three units the "3 hot points."

Those were quarrels and acts of provocation involving the youths of Hamlet T.C. in Minh Tri Village and soldiers of Infantry Unit S8. In the past, when Unit N4 was stationed here, the local youths had often gathered at night, used flashlights to shine into the soldiers' faces, and occasionally used force to rob soldiers. When Unit S8 was stationed here, the same phenomenon occurred. There was the case of an elderly man who came to visit his son and was robbed by bad people of 34,000 dong while he was having a drink at a refreshment stand. Soldiers of the unit did not dare go through the village at night because they were afraid of the local youths. Some of them were robbed of even their uniforms. Once hundreds of local youths gathered on a hill and pointed their flashlights at the vehicle-artillery hangar.

The fact that the above-mentioned incidents were not jointly resolved by the unit's leadership and command and the local administration later led to brawls between youths and soldiers. On the side of the unit, it also did wrong things, such as firing shots into the air in the village; in one case, many soldiers were brought to a local shop to beat the shop owner and to release a soldier who had been wrongly arrested by the local people in a brawl resulting from an earlier act of provocation and turned over to the shop owner to hold, and so on. Those incidents created bad impressions in the people's minds.

The truth was the unit's leaders and commanders had not fully realized that the security and social order situation in the locality was extremely complicated. In a single hamlet there were 84 persons who had police records. In the locality there were three cases of shooting for which the people were responsible. In the meantime, the people's living conditions were difficult and the local youths were not properly supervised and educated. In addition, the unit that had been stationed there before had failed to maintain strict supervision of its soldiers; that fact, along with the relationships between the sexes being far from proper, had left poor impressions in the minds of local youths. Although after those incidents the unit leaders and commanders did take several measures

to manage their men better and to deal in time with the signs of violation of mass-proselytizing discipline, they failed to meet the local authorities and to hold direct discussions with them.

Minh Tri Village Chairwoman Ta Thi Nhuan had this to say to us: "Unit S8 manages its men more strictly than did the previous unit, but there still exists a gap in the relations between the leadership and command of Unit S8 and the local administration. Many local cadres did not yet get acquainted with the unit commanders."

Mrs Nhuan also admitted as follows: "The brawls between the local youths and soldiers were first provoked by the former. The local administration is yet to take appropriate measures to educate and to handle the bad and spoiled youths. Although things have initially been resolved, I have the feeling that something wrong still remains. The local administration hopes to organize a 'the army and the people share the same will' conference in order to unify viewpoints, to adopt measures to handle incidents, and to propose actual rules for both the locality and the unit to carry out."

As we discussed the above-mentioned idea with the command of Unit S8, we were told that the unit was too busy to do many things it wanted to do. However, it urged its Youth Union chapter to promote brotherhood with the youths in the hamlet and both sides succeeded in creating a degree of initial understanding.

Unit H68 also was involved in brawls with the people but in a different form. Those were the cases of some bad elements colluding with their counterparts in the unit to steal its properties. But those cases were urgently and firmly resolved. In Unit 9, things were more tense and complicated. A number of its men, who were assigned the task of guarding its fish pond and did not know the right method to deal with cases of unauthorized fishing, got into a quarrel with a number of bad people and local children who had come to catch fish in the pond; the quarrel then turned into a fight and a tense situation, resulting in a number of local people being injured. The incident could have been satisfactorily resolved with good feelings and reason had the cadres assigned to resolve it by the unit's leadership and command adopted a correct attitude; as a result, the people who felt dissatisfied filed a legal suit with the state organs in charge.

As time passed, after all three cases were finally properly resolved, the units have regained the local people's confidence. Their leaders and commanders have learned profound lessons from those incidents.

The first lesson is to respect the local administration. As we met with the leading cadres in the localities where the incidents took place to discuss the cases, we found out that in the beginning some people in the units failed to respect the local administration and, as a result, they caused several cases of wounded personal pride. Some people said that just as "land has its own kitchen god," a unit stationed in a locality must respect the locality and

its customs and habits. It was a lack of mutual understanding between the units' leadership and command and the administration that led to a lack of unanimity in the ways to handle the cases, and hence misunderstanding.

The next matter that has been learned is the need to fully understand the local political, security and order, and economic situation in order to educate soldiers better. The incidents that took place in Units S8 and 9 did result from the failure on the part of the leadership and command concerned to teach and make soldiers fully understand the security and social order situation in the locality. To do this job properly requires a close coordination with the locality.

Although the local administration admitted that their local youths had started those incidents first, the units' side itself must have remained calm, resolved such incidents in a satisfactory manner, and shown no bias or prejudice in order to avoid adverse consequences.

For any unit, the most important matter is to closely supervise soldiers, mostly on holidays and Tet holidays, and at the same time to regularly teach them to respect the people and to bear the responsibility for educating local youths. The Youth Union organizations in many units have joined the local Youth Union organizations in brotherhood not only to have joint cultural, artistic, physical education, and sport activities but also to satisfy the wish of local people, i.e., to help the locality to educate youths and children. The people wish that the soldiers' action and deeds would help to educate local youths and give them the opportunity to have a close association with Uncle Ho's troops whose image is propagated by the cadres and soldiers stationed in their locality.

To properly maintain the blood-brotherhood relationships with the people under today's conditions is not only the wish of the people in the localities where Group S7 is stationed but also the common wish of all our people.

Quang Binh Border Forces Step Up Security Measures

902E0240A Hanoi *QUAN DOI NHAN DAN*
in Vietnamese 1 Jun 90 p 2

[Article by Nguyen Thai Thien]

[Text] The border of Quang Binh Province runs for 327 km, of which 135 km are shared with Laos. During the past period, the security situation along the border has undergone complex changes. More than 3,000 criminal and political targets are carrying on activities in the border zone, activities that pose a threat to security. On certain days along the border with Laos, more than 400 people cross back and forth across the border to engage in illegal trading activities. People frequently cross the border to work the land and settle down. Along the border, since March, 52 foreign boats have crossed into

our territory, and during the final six months of the year, there were eight cases of illegal border crossings.

In the face of this situation, the Quang Binh Border Defense Forces have formulated two new plans in accord with the situation, supplemented the combat plans of the border defense posts, strengthened the reconnaissance forces and mass activities units in six key points, and in conjunction with the local public security authorities, arrested and reformed criminal targets in the border zone. They have constantly stayed close to the area and people in order to educate and propagandize the people and build a mass base, carefully inspected the boats entering and leaving the mouth of the river, and checked the various vehicles and motorcycles going through the passes. Model villages in carrying on a border defense movement have been built. These include Ngu Thuy and Truong Son villages in Le Ninh District and Dan Hoa Village in Tuyen Hoa District.

Quyet Thang Corps Badly Needs To Staff Shops, Stations

902E0233A Hanoi *QUAN DOI NHAN DAN*
in Vietnamese 29 May 90 p 2

[Article by Tran Ho Bac: "'Dreadful Silence' Reigns Over Stations, Shops Due to Shortage of Workers"]

[Text] Without stations and shops, the new technical centers can fulfill only the function of "storage" facilities. But unfortunately, many technical centers of Quyet Thang Corps [Binh doan] have not yet set up stations and shops to do repair work and to manufacture parts so as to help to maintain weapons and equipment.

What needs to be said is that even in the units that have repair stations and shops in their technical centers, these stations and shops currently remain "dreadfully silent."

In the case of the repair station of Infantry Detachment M02, many people used to praise it because it had large and beautiful buildings and shops and a fleet of modern armored work vehicles, but for nearly 5 years now the station has been "forgotten" and has not been developed to full operations.

With the technical director of Armored Brigade H02 serving as a guide, I came to visit the station located in the unit's technical center. Here in the service pits, there is a metal-working part, a lathe, a grinding machine, and so on. All of them looked new and good; many machines still showed the oil and grease that had been put there during maintenance. The repair station has quite a great capacity, but apparently it has not been used much because of a shortage of workers.

In Quyet Thang Corps, its units handle many kinds of weapons, ammunitions, vehicles, tanks, and so on, but in the last several years they were always short of technical and specialized cadres and workers, or with regard to weapons and ammunitions particularly, their workers did not have the same capabilities. The shortage of

weapons workers got worse everyday. Artillery Brigade H41 was short of artillery workers and did not have any welders, blacksmiths, fitters, and chiselers.

In the last 10 years, the corps was not allowed to hire a single worker specialized in stabilizing tanks, repairing radars, and repairing and storing ammunitions. A sad situation that really exists is this: the corps as a whole is "moving forward," but it has no head workers, nor high-level workers in its technical departments. It mainly has low-level and ungraded workers and thus encounters difficulties and indecision when dealing with on-the-spot breakdowns. The case of the military maneuvers conducted by Brigade H41 in 1989 was an example: The Technical Department of the brigade, facing the unavailability of artillery workers at a time of very urgent manpower demand, was forced to take a "fire-fighting" measure, namely, to invite the people to help it. Fortunately, one of the invited "people" had been an artillery worker of the corps, had been discharged from it, and now lived in the locality. With the capabilities of an "old soldier" and following the unit's request, this person enthusiastically did his best to help. The artillery pieces were calibrated, other components were adjusted, and accurate firing was ensured. During the maneuvers the unit did fulfill its task. But all of its members wondered what would happen in the next maneuvers and how the unit would perform in actual combat situations when it was plagued by such a bad shortage of workers.

The technical director of Brigade H02 confided to me as follows:

"In actual combat we may mobilize auto mechanics, machine manufacturing workers, and so on from the outside economic sectors. But where in the world can we find artillery workers, workers who do stabilizing work, work with ammunitions, and so on?"

The army must not wait for "meals cooked by others" and must rather train its own men. But for the last several years, there existed many difficulties between training and using people. To train many people and to use few of them would be inefficient. A soldier must undergo military training for 6 months to a year before he can be selected for specialized technical training. Depending on the specialization they choose, it takes from 6 months to a year (sometimes longer) for soldiers to be able to do actual work in it. But when they begin to be familiar with the work and to develop good skills and technical capabilities, they will find that their military obligation is about over and they will no longer serve in the army.

Another reality is this: There are limited sources for the technical sector to get people from: schools and distribution of people appointed by superior authorities. But the "outgoing" end is numerous: The loss of people results from discharge from the army, demobilization, change of lines of job, change of jobs, going to officers' school, transfers, target of disciplinary action, and so on. As a

result, although the army continually trains people, it constantly is short of workers and specialized and technical personnel.

In the last several years, it was very difficult to recruit people as trainees in the weapons, ammunitions, and other sectors. In recent years being a vehicle operator was "valuable" and many people thus wanted to be trained in driving even if they had to seek assistance or to ask for privileged treatment. But now things are different: The number of volunteers has been decreasing as driving is no longer an attractive job. Many soldiers confided to me: "We have been trained in driving but have no vehicles to operate, and our job is only to maintain, store, and guard vehicles. Our skills are thus not heightened and actually decline instead. If we are trained in weapons, ammunitions, and so on, our "occupation" is usable only when we still are in the army. Once we are discharged from the army, we still have no occupation. And the job itself is exhausting, harmful to one's health, and dangerous."

In order to overcome this situation, what did units in the corps do? In Detachment B68, in the recruitment periods, its workers were recruited on a top-priority basis from the areas and localities where by tradition there were numerous available welders, blacksmiths, lathe operators, and fitters. In addition to workers trained in the corps' technical schools, the unit opened its own training courses to train more people. In a year's time, the detachment provided additional training to 20 vehicle operators, brought 8 workers to higher levels of skills, and trained 56 people in storing ammunitions and in maintaining military equipment.

At the conference to preliminarily review the campaign to promote "good maintenance, and lasting, safe, and economical use" in the entire corps, a lot of attention was paid to the experience of Infantry Detachment B08: Workers in the unit were urged to learn from one another and to do one another's work in addition to their regular work. Workers were progressing from being apprentices and helping one another when the work load was excessive to becoming capable of replacing one another when necessary in order to fulfill their task and to satisfy what the situation would require.

One thing that Battalion 579 and Regiment B68 were doing deserved a lot of attention: They created favorable conditions for their workers to feel reassured and to cling to their task. Fully using the specialized capabilities of their technical personnel, these units organized them in providing such services as ordering pieces of machinery, repairing machines and equipment, and so on. When this was done for the first time, it was much welcomed as it was a source of material encouragement for their men.

However, this is not yet the basic measure. We badly need effective and appropriate procedures and policies for many activities ranging from training to use and

promotion of our cadres and technical personnel so as to ensure good results and to satisfy the need for long-term service in the army.

The silent maintenance and repair stations and shops now badly need appropriate and rational attention and investment.

ECONOMIC

Joint Meeting Explores Cooperation Potential

902E0251A Ho Chi Minh City SAIGON GIAI PHONG
in Vietnamese 2 Jul 90 p 3

[Article by Khac Binh: "Discussions Between Australian and Vietnamese Businessmen: A Realistic Meeting"]

[Text] In the afternoon of 16 June 1990, a rare and interesting meeting at Thong Nhat Conference Hall between a group of Australian businessmen (led by Australia's minister of Technical Industries and Commerce, Senator John Button) and officials of Vietnamese economic organs reached a number of positive results marking an important step in the friendly relations between the two countries. An agreement to step up the activities aimed at developing Vietnam's infrastructure in the fields of science and technology, communications and transportation, banking, tourism, and so on was signed by Vietnamese Minister of Commerce Hoang Minh Thang and Australian Minister John Button. This is an important accord that creates favorable conditions for annual meetings at the ministerial level between the two countries to evaluate their cooperation. At this cordial meeting, the Australian and Vietnamese businessmen introduced themselves to one another and sought an understanding of the cooperation potential.

Mr. John Button said that he was accompanied by the vice minister of Technical Industries and Commerce, the vice minister of Foreign Affairs and Trade, a number of high-ranking cadres of the Australian Chamber of Commerce, and directors of 15 leading companies engaged in production and business in many fields. The delegation included representatives of 80 major companies in Australia. The two sides discussed the fundamental matters leading to an accord on protecting investment and avoiding double collection of taxes.

At the meeting, Nguyen Van Ich, vice chairman of the State Cooperation and Investment Commission, made a report on the state of investment in the southern provinces and welcomed the development of Vietnam-Australia relations in many fields and areas of activities.

He said that the confusion and doubts regarding the investment policy, which is being urgently reviewed and revised, have to do with the relations between the private economic component and the international community, multilateral cooperation relations, expansion of the domestic market, and so on. Vo Thanh Cong, deputy director of the municipality's Investment Supervision

Committee, spoke to the Australian businessmen about investment matters and investment projects in Ho Chi Minh City: The municipality has so far issued 53 investment permits for activities in many fields and occupations involving a total capital investment of 315 million dollars, with 8 projects involving Australian companies. Twenty other projects are being considered. The fields and sectors into which the municipality is interested in attracting investment are infrastructural construction (roads, electric power, water, housing, and so on); electronics-computer science; manufacture of machinery used in fishery and grain and food processing; production of electrical equipment; assembly and manufacture of automobiles; modernization of the textile, plastics, high-grade paper, and glass industries, the information field, and so on. Le Van Nam, director of the Municipal Building Service, provided considerable details about the economic, industrial, and commercial situation in Ho Chi Minh City and its development objectives that would need investment between now and 1995.

The Australian businessmen also took turns talking about the capabilities of their companies in cooperating with Vietnam. Mr. R.D. Masterton, director of Australia's OTC International, Limited in charge of communications networks and equipment, hoped that by 1995 his company would assemble and install communications cable on the ocean floor for Vietnam and believed that Australia would become the number-one country contributing to Vietnam's telecommunications installations.

Mr. B. Durack, director general in charge of business development for John Holland Holdings, Limited (one of the four largest construction companies in Australia having been in business for 40 years and having completed many infrastructural construction projects in Australia, Southeast Asia, the Middle East, and so on), hoped that his company's presence in Vietnam would be strengthened. This company will take part in Ho Chi Minh City's first-priority projects and build the Cam Pha Harbor, the Hanoi-Lao Cai railroad line, and a business center in Hanoi. It affirmed that the investment project in Vietnam would total 25-40 million dollars in infrastructural construction and in providing technical, professional, advisory, and managerial services.

Mr. J.A. Gillett, director of international affairs, market research, and projects of Kinhill Engineers Co., Limited, Australia's largest engineering consulting company, introduced his company as one that has more than 1,200 employees, mostly scientists, technicians, and managers enjoying prestigious reputation in Southeast Asia, East Asia, and the Pacific region, particularly in infrastructural construction of cities.

ANZ (Australia and New Zealand Banking Group, Limited) is the bank that has the largest international network and world-caliber scope among Australian banks. Mr. D.R. Waton, the ANZ director general in Asia and the Pacific, estimated that Vietnam's banking services were still weak and said that ANZ could provide support in such major fields as introducing the use of computers

in banking operations, training bank employees for Vietnam, providing guidance in connection with adopting methods to resolve difficulties in international business, and so on.

Following the self-introductory speeches, the Australian and Vietnamese businessmen held direct meetings and contacts in which they made appointments with each other for more work sessions. As of now (the end of June 1990), a number of Australian businessmen in the delegation still remains in the city to continue to work with different sectors and units on the basis of the initial results obtained in that meeting.

Domestic Goods Face Stiff Competition From Illegal Imports

902E0239A Ho Chi Minh City SAIGON GIAI PHONG
in Vietnamese 30 Jun 90 p 1

[Article by Kieu Oanh-Minh Ngoc: "Survival of Domestic Goods Has Reached Moment of Decision"]

[Text] At the present time, approximately 80 percent of goods on the market are foreign imports. Everything, from toothbrushes, water dippers, etc., has the participation of foreign goods! We do not deny the fact that foreign goods have stimulated domestic goods competition but the spread of all kinds of imports had directly damaged our production which presently still has many difficulties. Listen to the comments of a number of domestic goods producers and merchants on this matter:

Nguyen Phuc Minh (Director of the Saigon Earthenware and Porcelain Enterprise): Actually, the fine arts and civilian use earthenware and porcelain goods of the enterprise previously answered consumer requirements but since the porcelain goods of foreign countries such as China and Thailand appeared on our country's market, the level of production consumption of the enterprise and the entire earthenware and porcelain sector has generally faltered. To survive, our enterprise has had to shift production to other products. Speaking fairly, Chinese earthenware and porcelain goods are superior to ours in quality and design and the cost is not much greater (partially due to evasion of duties and partially to the production techniques of a modern foreign country and completely automated production assembly lines, therefore saving on labor and providing high productivity, gradually leading to cost reductions, etc.). To save domestic production, besides the planned importation and levying of heavy duties on foreign goods, producers must have accurate and complete information, have conditions created for maintaining contact with the market, and simultaneously have a mechanism of suitable investment for improving machinery, equipment, etc.

Tran Khac Ky (assistant to the director of the Vietnam Laundry Soap Enterprise): The spread of imported foreign goods is one of the foremost causes of production trouble. To end this situation, it is necessary to reexamine the duty system, import policy and entry point management at the present time, and to simultaneously institute a system of protecting domestic goods. All of

these things must be the total action of all society, including the development of economic laws and regulations which is a prerequisite and must be implemented.

Mrs. Lien (deputy director general of the Federation of Milk and Coffee Enterprises): The spread of illegally imported foreign milk of all kinds (with low prices due to evasion of duties) at the end of 1989 caught us off balance, sales dropped, and we even had to lay off workers. In my opinion, to halt illegally imported goods, besides raising the quality and reducing the price of products, plant management must be improved, severe duties imposed, etc.

Sang (deputy director of the Saigon Cigarette Plant): Most consumers presently smoke foreign cigarettes because of their high quality and low price. The spread of illegally imported cigarettes throughout the country has killed several production facilities. To stimulate domestic production, only those goods we are unable to produce should be imported. At the same time, impose heavy duties on goods illegally imported from the border provinces, halt illegally imported goods at their source, etc.

La Lam Thi, Nguyen Thi Tran, Huynh Thi Sanh, Trinh Thi Sau, and Le Thi Con (selling earthenware, porcelain and glass goods, sandals, woven fabrics, ready-made clothing, etc. at the Binh Tay market): We have made our living as merchants for many years. Due to social and market upheavals, such a living has its ups and downs. In only about the past year, it must be acknowledged that the spread of imported foreign goods has seriously affected the level of domestic goods consumption. At the present time, compared with domestic sandals, the average price of a pair of foreign sandals of the same type is only 1.5 times greater with many more beautiful and constantly changing styles, high quality, etc. In woven fabrics, a meter of domestic calico (.9 meters wide) is about 1,600 dong while Chinese cloth is more durable, more beautiful, 1.2 meters wide and only about 4,500 dong per meter. Various types of ready-made clothing, previously "stalled" by Thai clothing, are now being staggered by the spreading appearance of "aid goods." Earthenware, porcelain and glass goods are the same. What will the consumer buy when the choice is a set of 10 Vietnamese porcelain bowls for 6,000 dong or 10 Chinese bowls for 8,000 dong, and a dozen extremely beautiful Thai glasses or Vietnamese glasses made of remelted bottles for 6,000 dong per dozen? There is no other way to say it: the precipitous appearance of foreign goods has directly and adversely affected our lives.

These confidences of producers and merchants have partially reflected the difficult situation of domestic business and production operations under the attack of foreign goods. An accurate and alert look must be made of the spread of imported foreign goods to find the most effective preventative measures, to create every condition providing a way out for domestic production, etc.

The survival and future of production have reached the period in which we cannot delay!

Smuggling Continues Despite Severe Penalties

902E0249A Hanoi NHAN DAN in Vietnamese
6 Jul 90 p 3

[Article by Bui Toan, Supreme People's Organ of Control: "Smuggling and Anti-Smuggling Work"]

[Text] During the 80's, cross-border smuggling became a common occurrence and a permanent concern of many nations, especially the presently expanding smuggling of narcotics, foreign currency, weapons and cultural antiques.

According to recent statistics, international smuggling today is a 3-billion dollars industry.

In our country during the past few years, in conjunction with expanded interchange in all aspects, smuggling activities have increased, spreading not only within the country but also outside the borders by every route (sea, air, international posts and communications, etc.). The perpetrators are not only dishonest merchants but also other elements of the people: a number of economic organizations and mass groups also participate in smuggling under the guise of "economic contracts," "scientific and technical cooperation," "customer solicitation," etc.

To halt the above illegal actions, the Council of State passed an anti-smuggling and anti-speculation regulation on 30 June 1982. At the same time, the chairman of the Council of Ministers promulgated Resolution 68-NQ, defining the responsibility to urgently combat smuggling.

However, smuggling has not declined, cases uncovered are large in scale and goods value, they are steadily increasing on the southwestern and northern borders, at airfields and ports: clothing, cigarettes, medicine, foreign-made consumer goods etc.; they overflow border entry points to go deep into the country and appear in state and privately operated stores with all kinds of disguises and tax evasions. They create pressure on domestic goods, causing many enterprises, production facilities, and businesses to suffer losses and stagnated goods, and increase unemployment.

At the beginning of 1986, our country officially stipulated that crimes of smuggling and illegally transporting goods, currency, and precious metals across the border fell within the section on international security offenses in Article 97 of the Penal Code, punishable by imprisonment up to life and fines up to 10 times the value of the illegal goods.

Despite severe penalties, smuggling continues to increase in number of incidents and illegal goods value. During a 3-year period (1986-1988), customs forces discovered tens of thousands of cases, nearly half of them major, but they still constituted only about 10 percent of the total;

presently, illegal imports may amount to more than 500 billion dong. Worthy of note is the increasingly greater number of major smuggling incidents. The vessels Tan Binh and Song Nhue carrying 255,000 U.S. dollars worth of contraband were apprehended by the customs service and prosecuted. A driver smuggled 55 tons of copper through the Lao Bao exit point. The Tay Ninh Trade Corporation smuggled 505 taels of gold to a friendly country to purchase 500 motor vehicles. The director of the Lang Son provincial bank and director of a precious metals business corporation, conspiring with a number of other people in Lang Son to smuggle 48.2 taels of gold across the border, were apprehended by foreign local authorities along with the gold. A Taiwanese merchant illegally exported 81 antiques dating from the 7th to the 10th Centuries. The Thanh Phu Aquatic Products Corporation in Ben Tre Province illegally exported 29,000 U.S. dollars and 73 kilograms of gold. On the northern border, strategic goods and materials are being smuggled across the border with the sanction and complicity of local authorities and a number of local agencies.

Confronted with the crisis of expanding and spreading smuggling, the Council of Ministers has issued many directives regulating and combatting smuggling in each border area. The anti-smuggling position of our party and state is consistent and severe, fully expressed in each phase of our country's economic development. However, efforts to counter smuggling have yielded extremely low results due to our failure to fully identify its existing characteristics and causes in order to formulate effective counter-measures.

Our goods production is still small and unable to meet domestic consumer needs in quantity and quality. Meanwhile, reactionary forces inside and outside the country have increased their efforts in every aspect to sabotage us. They use profits in trade to stimulate a "non-production economy" with the smuggling of consumer goods to infiltrate our market in order to take our gold and hard currencies, strategic materials, precious special products and valuable cultural goods. Taking advantages of loopholes in our economic and social management, a number of degenerate and corrupt cadres have also engaged in smuggling on a large scale. Some party committees and people's committees have permitted economic sectors to engage in trade, and have covered up and defended offending cadres, creating difficulties for their prosecution in accordance with the law.

The harm caused by smuggling is not widely realized as yet. Anti-smuggling efforts are superficial. The prosecution of violators and offenders is not consistent in every localities. Many border protection units are lax in the management, inspection and control of people and goods. Some border crossing points fail to halt thousands of people and tens of tons of goods crossing daily, and cases even occur in which they aid and abet smuggling in exchange for bribes and "taxes".

Sectors responsible for criminal prosecution are too soft and lack determination in dealing with smuggling by

organized and repeated offenders. No attacks have been made on the hideouts of organized smugglers, ringleaders have not been brought before the law, and criminal prosecutions still fail to match the crimes committed.

During the past few years, cross-border smuggling has not only harmed the economy but it also bears a political nature. Many smuggling cases are related to the sabotage of important security and national defense projects and resources (the sale of copper, aluminum, iron and steel across the border), and illegal immigration and flight to foreign countries when smuggling activities are discovered. Up to 70 percent of recent espionage cases began with individuals trading in the smuggled goods of foreign countries who exploit, bribe and control them to make them serve as lackeys.

Smuggling also brings into our country cultural products with reactionary, decadent, ideologically provocative and anti-socialist themes, encouraging violence and sex, corrupting many young people, leading to crime. At the same time, it is also the route for illegally exporting many cultural antiques and historic relics from temples and imperial tombs. For profit, cross-border traders illegally export anything, weapons, toxic chemicals, scientific data, economic and national defense secrets, and cultural products.

Besides the usual tricks (concealment and travel by night to avoid inspection, bribery of duty personnel, etc.) smuggling today is extremely ingenious, cunning, and at the same time blatant and violent. A number of individuals, under the guise of state agencies, conspire with private traders, using their capital to become involved in joint enterprises and associations inside and outside the country. They buy, sell, and transfer licenses and quotas in order to illegally export and import goods.

Some provinces, districts and even villages take advantage of their local authority to maintain private border crossing points and to open small-scale illegal cross-border trade routes. Many pursuits of illegal goods have become violent anti-crime skirmishes with many injured cadres and soldiers.

From actual anti-smuggling activity, we have learned their patterns of criminal activity. Regarding confiscation of goods and apprehension of offenders, not only are education and persuasion or heavy penal measures necessary but also prosecution by economic methods, appropriation of goods, and fines many times the value of the illegal goods, as permitted by the law. Not a few offenders, after severe economic punishment, no longer had the "vitality" to repeat the offense. The penal method may be called an assault measure; professional smugglers and ringleaders should not only be punished economically but should also receive severe penalties of sufficient persuasive, educational and deterrent strength.

Only by motivating the masses, causing them to clearly recognize the ill effects of smuggling to the economy and the fatherland, and by launching an anti-smuggling

movement with appropriate rewards for those making discoveries, apprehensions, etc., can smugglers be truly isolated with no place to hide or to flourish.

Urgent Need To Improve Socioeconomic Situation

902E0238A Ho Chi Minh City SAIGON GIAI PHONG in Vietnamese 16 Jun 90 pp 1, 2

[Editorial: "Changing the Socioeconomic Situation—An Urgent Need of the City"]

[Text] The 13th Plenum of the Municipal Party Organization has passed a resolution on changing the socioeconomic situation and specific measures aimed at stimulating the production development of economic components. This is an important theme in the action program of our city's party organization, government and people.

We all know that the city's socioeconomic situation during the first five months of 1990 suffered a serious decline. Production declined, circulation slowed and many obstacles were encountered in exports and imports. Upheavals in the credit cooperative and capital mobilization area have caused uneasiness among the masses. The living standards of genuine laborers have declined because incomes have failed to match necessary minimum expenses and social market prices.

The direct causes of this situation are shortages of capital and electric power, the spread of illegally imported goods competing with domestically produced goods, and deficiencies in management and operations. However, the underlying causes are the failure of production and business to escape the mechanism of state subsidization and administration, and the consequences of inconsistent anti-inflationary measures. The long-term maintenance of high bank interest rates alone has adversely and seriously affected production and business.

The socioeconomic situation during the remaining months of 1990 is still faced with the possibility of complex changes. Changing the socioeconomic situation along a positive course is an urgent requirement and one of the city's central missions. The Party Plenum set forth a number of primary methods for continuing to effectively implement the resolution of the 12th Municipal Party Plenum on the 1990 socioeconomic mission and to determinedly maintain a constant level in planned norms for the entire year; because only with that level of production and business can anti-inflationary measures be achieved and living standards be stabilized.

In production, the problem requiring concentrated effort in both resolving and successfully resolving is the reorganization, rearrangement and resolute disposition of substandard units with prolonged deficits. State-operated units must be classified and rearranged consistent with industrial and product regulations and management standards. Substandard state-operated units with prolonged deficits should be approved for bankruptcy and handled along a course of: integration into

units with the same industrial production line and product groups that are operating efficiently; deactivation by accepting bids within the state-operated economy; and sale by auction or renting to economic components outside state operation. State-operated units failing to fully meet conditions must not be established. Experimental establishment of stock enterprises should be conducted with the hiring of skilled directors to manage state-operated enterprises.

Provide capital by many methods and sources to units with effective operations and products answering domestic and export consumer needs able to compete with foreign goods. Increase self-acquired capital. Borrow from foreign countries or engage in joint enterprise with countries producing high quality products saleable on the world market, and ensure debt repayment ability. Halt capital supply and recovery for units operating ineffectively. Stop the construction and purchase of unnecessary equipment to accumulate capital for production. Institute incentive provisions for privately operated facilities to attract the capital of relatives in foreign countries. Banks must have methods of attracting idle funds among the people for loans to economic units short of capital at stipulated interest rates.

On the other hand, indispensable in the production and business process is the search for a consumption market. The products of a number of state operated units cannot be allowed to stagnate while the great market of the rural area is left undefended for others to exploit. There also cannot be a protracted situation of allowing illegally imported goods to spread and gradually compete with the domestic goods market.

Recalculate the municipal budget, with measures for balancing revenue and expenditure. A deficit budget cannot ensure urgent expenditures. On one hand, seek sources of revenue for the budget and on the other, formulate extremely specific plans for economization with true results. The greatest source of budget revenue is production. Therefore, concern must be given to stabilizing production development for a source of revenue. At the same time, properly conduct business inspection and registration to both limit tax shortfalls and to make business activity within the city a procedure.

Reexamine and redefine the export-import plan for the final six months of the year. Suggest to the Central Committee that a rational export goods policy be formulated. Eliminate import duties for production support raw materials and various types of equipment and spare parts not yet domestically produced. Manage import lists in accordance with needs for protecting domestically

produced goods. Settle debts between the city and central government, between the city and foreign countries, and between different municipal units. Resolve still stagnant export goods and stockpiled imports. The specific tasks above have been placed in the resolution of the Municipal Party Committee with the purpose of promoting exports and imports to assist in stabilizing and developing the city's production.

To the genuine laborer, the basic methods are to ensure living standards and employment. Therefore, every favorable condition must be created to stabilize and develop production for all economic components. Every legitimate aspiration related to daily life, consistent with party and state policy, must be urgently and positively resolved. Irresponsible actions aggravating and damaging the interests and assets of the people must be dealt with in a careful and thorough manner.

To cadres, workers and civil servants in the state area, resolution of living standards must comply with the principle of distribution in accordance with labor quality and effectiveness. Do not permit the living standards of teachers, medical personnel, scientific and technical cadres, career administrators, the armed forces, retired cadres, etc. to decline due to incomes failing to promptly follow market prices, or to match necessary minimum expenses.

The extremely irrational difference between sectors in the business production and career administration areas leading to discontent in society will be regulated following a course of maintaining a rational income level for units with effective production with incentives for operating unit to regain high effectiveness. The income levels of efficiently operating export-import, trade and service units cannot exceed those of efficient production units. The income levels of poorly operating units cannot exceed earnings.

Ensure prompt payment of salaries for teachers and retirees. Examine subsidies for welfare policy recipients encountering difficulty. Strive to handle surplus labor resulting from production rearrangement with state assistance funds.

Primary measures have existed for changing the city's socioeconomic situation along a positive course. The problem remaining is to develop these primary measures and to convert them into reality. This responsibility demands that each cadre and party member within the sphere of his own work set the example, be dynamic and creative, ensure work efficiency, and draw the masses into similar action.